

Charity registration number 509458

Company registration number 01437514 (England and Wales)

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr D Morgan (Chairman) His Honour G A Ensor Mrs P J McGaffney Miss L Marshall Mr J J Thompson Mr S P Marley
Secretary	Ms C Mason
Charity number	509458
Company number	01437514
Principal address	c/o Morecrofts LLP Cotton Exchange Old Hall Street Liverpool L3 9LQ
Registered office	c/o Morecrofts LLP Cotton Exchange Old Hall Street Liverpool L3 9LQ
Independent examiner	Tony Stanley ACA BWM Tempest Suite 5.1 12 Tithebarn Street Liverpool L2 2DT
Bankers	Virgin Money Jubilee House Gosforth Newcastle upon Tyne NE3 4PL Redwood Bank The Nexus Building Broadway Letchworth Garden City Hertfordshire SG6 3TA The Co-Operative Bank Team 605 P O Box 250 Skelmersdale Lancashire WN8 6WT

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

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THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The principal objectives of the charitable company are to promote, maintain, improve, and advance education, particularly by the production of educational plays and the encouragement of the arts, including the arts of drama, mime, dance, singing and music for the benefit of the community living in the areas of Merseyside, Wirral and outlying districts including North Wales, Cheshire, and West Lancashire.

The activities throughout each year are designed to encourage interest, enthusiasm, and appreciation for the wide variety of performances at the Empire Theatre (musical theatre, opera, ballet, drama, singing and dance).

The Trustees consider the continued development of the education and community programme within the Creative Learning Department ('the Department') and the activities managed by the Trust to be the cornerstone of its charitable aims to assist in delivering a new and wider audience for the Theatre in part by developing young persons' interest in the arts and dance.

The Trustees are committed to making these activities available to as wider part of the community as possible and to extend these activities to all who are interested to take part and experience a full Arts programme. The Trustees are supportive in increasing diversity and providing opportunity to those from disadvantaged backgrounds.

In conjunction with its managers, the Ambassador Theatre Group (ATG) and through a variety of programmes, the Trust aims to develop the audience of the future and to increase the occupancy rate of the Theatre, and in particular to help young persons in the appreciation of the arts.

The Trust supports and encourages an active Department and its variety of programmes, some of which are linked to and supported by the companies, producers and performers visiting the Theatre. In addition, some activities of the Department receive financial support from local businesses and organisations as well as from the Trust. Assistance with fees is provided where otherwise applicants may not be able to take part.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in its dialogue with ATG.

Representatives of the ATG (the Business Director (UK Venues), the Theatre Director, the Head of Operations (North) and the Head of Creative Learning) attend board meetings to present their respective management reports, which are circulated to the Trustees prior to the meetings and discussed in advance of the ATG representatives joining the meeting.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

An overview of developments, activities and achievements

The theatre has had a very busy and successful year and has exceeded all expectations. Everyone concerned with the Theatre is delighted with the response from the public in supporting the Theatre back to full strength. The Department have been able to operate a full and busy programme over the last 12 months which has seen them grow and develop the opportunities available and the Trustees have been delighted to support and fund various projects and initiatives

The Trustees continue to hold Trust meetings throughout the year and in between meetings liaise with ATG on a variety of matters as required.

The Trustees have supported ATG wherever possible to provide a full and varied offering to the Public and to raise their own profile in the media and on social media to make the public aware of the Trustees role. The Trustees propose to go on raising their profile whenever appropriate to increase public awareness.

There are regular updates from the Chair of Trustees in the "in house" programme for performances and increasing support to the Department to develop the Youth Programme which always proves very popular and has a vital role in helping youngsters to gain new skills both in performing and life skills. The Trustees remain of the view this is very important as many are still recovering from the effects of lockdowns during Covid and missed opportunities

This year also saw the full introduction by the Trustees of the "Terry Smith" Award scheme which is a bursary scheme named after the former Chairman of the Trust to assist those students going on to further studies usually at Drama schools and to help pay for vital equipment, dance shoes and similar, to aid them in the studies. Members of the Youth theatre are invited to apply and then the Trustees after review and discussion decide on the amount to be paid, usually between £1,000 and £2,000 to assist them to continue in their studies and hopefully go on to be "future ambassadors" for the Liverpool Empire. Those members who received bursaries have been very grateful and provide regular updates to the Trustees on their progress with their studies.

This has proved very successful and the Trustees plan to continue to support this vital bursary scheme.

Creative learning

The Creative Learning Department works on three main areas:

1. Creative Generation – the work that done with and for schools to create opportunities for a creative curriculum across the education landscape. Capturing the mind and imaginations of first-time theatre goers.
2. Community Engagement – working with local and national partners to create opportunity to engage with the theatre.
3. Talent Development – Providing opportunity to connect young people from all backgrounds with everything the entertainment industry has to offer. Provide skills training and performance opportunities.

All areas of the programme benefit from connection to the shows in the theatre through cast led workshops, Q&A's, backstage tours, and special projects.

Creative Learning aims to provide opportunity to nurture the audiences and workforce, both on and off stage, of the future.

The year was a very successful year with engagement bouncing back and exceeding pre-pandemic levels

Figures for the Department were as follows:

Total number of participant sessions 691

Total number of individual participants 19,758

Total number of participant moments 35,689

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

The report will not go into detail on the work created and delivered through the year but examples of this are as follows:

1. Creative Generation - Schools Partnership Programmes

Nine local secondary schools from across the Liverpool City Region through the launch of a new partnership programme which began in September 2022.

Designed as a programme of activity for students and their teachers to connect them to the Liverpool Empire's programme including activities led by industry professionals including cast led workshops, Insights and pre-show events, and opportunities to see professional productions at the theatre and many more.

2. Proud to Be: English National Ballet's Live Drawing Workshops

Partners: 5 x Secondary & Further Education Schools & Colleges and English National Ballet Participants: 93 x Y11 – Y13 Students Students involved across Liverpool Empire Theatre's Secondary & Further Education Partnership Programme participated in a project entitled Proud to Be, delivered in partnership with English National Ballet.

3. Glyndebourne: Good Company Music in Care Homes Workshops, Singing in Schools and PGCE Continual Professional Development Workshops

Partners: Glyndebourne Opera, The Archdiocese of Catholic Primary Schools, Liverpool John Moore's and Liverpool University, The Metropolitan Cathedral, The Brain Charity, Onward Homes, and Glyndebourne Opera Company.

Participants: 90 Primary Pupil, 18 care home residents, 25 PGCE students = 133 participants

In partnership with the Brain Charity, Glyndebourne Opera and Liverpool Empire delivered Good Company; a free dementia friendly opera workshop for Care Home residents with dementia at Onward Homes in Liverpool and many other Opera related events and the opportunity to see an Opera live.

4. Open Doors/Fun Palace Event & Pre-show Connections

Holiday activity events as part of the open-door project. This involved a week of Musical Theatre activities for children and young people aged 6 – 15. Each day involved a specialist masterclass delivered by visiting industry professionals culminating in a sharing for family and friends on the afternoon of the final day.

Free events took place at the theatre and family workshops included an introduction to Musical Theatre and an Arts & Crafts activity.

5. Talent Development - Liverpool Empire Youth Theatre Academies

The Junior Youth Theatre Academy attended the Music Theatre International Junior Youth Theatre Festival at the Birmingham and performed various outstanding pieces and were awarded a trophy for Outstanding Performance in Drama.

In July 2022, the Home School Drama Club and Junior Youth Theatre performed a sharing performances at the theatre.

The main Youth Theatre production of Little Shop of Horrors took place at the Theatre in August 2022. The company of 25 young people aged 16 – 21 had rehearsed throughout the year during their weekly sessions before coming together for a two-week intensive rehearsal period with full technical support. The show was well received by an audience of over 2000 people across the three performances.

The bi-annual Showstoppers showcase took place at the Liverpool Empire in February 2023. This involved 90 participants from across all the creative learning groups performing together in a musical theatre spectacular.

The Trust supports the activities of the Department throughout the year and the Trustees attend productions and events where possible.

They have been able to extend their activities in this year and have reached many young people who would not otherwise ever attend a theatre or have the opportunity to perform. Many of those involved will go onto careers in the theatre industry.

All the above was partly funded by the Trust and the Trustees have already committed to further funding of projects for the coming year.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Productions, Attendances and Plans

The Theatre (with a capacity is 2,365 seated with 16 wheelchair spaces). There was strong growth and this was an exceptional record-breaking year with over 359 performances in the Theatre and an average of 66% occupancy.

The Theatre continues to be very well supported for most productions and has exceeded expectations in the current year and is one of the most successful theatres run by ATG.

Property

The Trust has a lease of the Empire Theatre building from Liverpool City Council for a term of 125 years; the lease expires in 2127. The charity sub-lets the Theatre to ATG, for commercial use. ATG, as the tenant, is responsible for all property care and maintenance and takes all commercial risks for theatrical activities. ATG makes a management contribution to the Trust.

Following completion of the refurbishment and extension of the Theatre (incorporating the adjoining Legs of Man public house acquired by compulsory purchase) some years ago (the finance for which was provided by grants from the Arts Council and ERDF together with substantial contributions from ATG and individuals), the Trust takes all necessary steps to ensure ATG complies with its leasing obligations and in particular that the Theatre is properly managed and kept in good repair and condition.

At the time the lease was granted, the Trust took advice (having regard to the charitable status of the Trust) from Irving Rice, Surveyors of Liverpool on the structure of the lease arrangements from Liverpool City Council and ATG. No premium was paid to Liverpool City Council by the Trust for the lease although Liverpool City Council placed a value of £350,000 on the lease and this was taken as matched funding towards the Arts Council grant.

The Trustees do not consider any merit in seeking a professional valuation of the Lease with Liverpool City Council in view of the user restriction and the obligations of the Trust in maintaining the building as a Theatre. The value of £350,000 calculated by Liverpool City Council has been accepted by the Trustees for the purposes of these accounts and is reflected as such in the designated reserves in the balance sheet.

The upkeep and development of one of the City's best known and most loved buildings are always a major concern of the Trust and that view is shared by ATG. A biannual report is prepared by Trident Building Consultancy which is commissioned by the Trust and shared with ATG who then actively take steps to address any issues noted in the report and the Trustees receive regular reports of work undertaken or work planned.

The presentation of the fabric and facilities of the Empire to the public is constantly reviewed and the Trust receives regular reports on the state of the building and facilities for successful theatre productions. The report is discussed between the Trustees and ATG thus ensuring that ongoing maintenance issues are attended to and, in addition, future capital expenditure is proposed for the enhancement and development of the theatre and its facilities.

Some major projects continued to be undertaken to improve the building during the year (funded by ATG). These are closely monitored and reviewed by the Trustees.

Financial review

The results for the year and the charity's financial position at the end of the year are shown on pages 9 to 18.

The deficit of income over expenditure for the year amounted to £1,054 (2022: Surplus of £24,621)

The Trustees believe that sufficient assets are presently available to fulfil the obligations and aims of the charity. However, there is also awareness that in the longer term and in view of uncertainties in the worldwide economy there will be an increasing cost for professional services (accountants and building surveyors, for example) and other expenditures, which will require the Trust to reappraise its future levels of income and donations.

To achieve its main objectives, the financial viability of the theatre remains fundamental and the Trust will liaise closely with ATG to identify any issues that might affect the long-term viability of the theatre as and when necessary.

At 31 March 2023, total reserves were £629,905 (2022: £630,959) of which £350,000 (2022: £350,000) is a designated fund representing the fair value of the lease between Liverpool City Council and the charity.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Risk policy

The charity has continued to review risks which it faces and will establish controls to mitigate risk where necessary. Risks continue to be subject to periodic review.

Reserves policy

The Reserves Policy is reviewed in line with Charity Commission publication on 'Charity Reserves: building resilience'. Whilst the Trustees are looking to spend most of its annual income (which increases annually by the rate of RPI) on charitable objectives, with the balance on administrative costs, part of the sum held as reserves will be made available periodically for the objectives of the charity although the Trustees will take into account the need to hold the reserves against continuing liabilities under its lease with Liverpool City Council in circumstances where the indemnity from its tenants is not available.

The Trustees are further aware that the reserves (which arose from a payment from ATG resulting from a lease negotiation) are not likely to be replaced in the future and for this reason the Trustees consider it is a prudent decision in the long term interests of the charity to maintain the reserves close to their present level, thus allowing the Trustees to apply some of the reserves on charitable function where the annual income has been accounted for.

Investment policy

The charity's investment policy currently is to hold any reserves at the bank on deposit.

Structure, governance and management

Legal status

The Empire Theatre (Merseyside) Trust Limited is a charitable company limited by guarantee, incorporated on 16 July 1979 and registered as a charity on 7 January 1980.

The charity was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1. None of the Trustees have any beneficial interest in the charity.

Governance and management

The directors, who are also Trustees of the charitable company for the purposes of company law, have a variety of specific experience and skills including arts administration, theatre and film productions, journalism, private sector administration and management and legal experience. These skills are all needed for the successful running of the Trust linked to the Theatre managers and the continued work of the Creative Learning department. The Trustees are responsible for all decision-making activities taking account, where appropriate the requirements of the 'public benefit'. The Trustees meet regularly to review progress of the objectives of the Trust and the performance of ATG (its manager and tenant).

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr D Morgan (Chairman)
His Honour G A Ensor
Mrs P J McGaffney
Miss L Marshall
Mr J J Thompson
Mr S P Marley

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

The chairman of the Trust is nominated and seconded by one of the Trustees.

The secretary is Carol Mason a solicitor and partner with the law firm Morecrofts LLP of 7 Church Road, Woolton Liverpool L25 5JE.

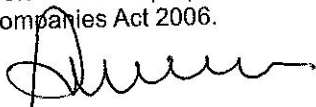
The Trustees are advised by Daniel McEvoy of Trident Building Consultancy, 43 Castle Street Liverpool, on property matters generally and in particular to review compliance by ATG of their Lease obligations.

The Trustees have considered no formal training is required to fulfil their duties and obligations.

The Trustees have assessed the major risks (in conjunction with its managers) to which the Trust is exposed and are satisfied that systems are in place to mitigate exposure to major risks.

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.



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Mr D Morgan (Chairman)
Trustee

Date: 6 November 2023

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2023

The trustees, who are also the directors of The Empire Theatre (Merseyside) Trust Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
INDEPENDENT EXAMINER'S REPORT**

TO THE TRUSTEES OF THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED

I report to the trustees on my examination of the financial statements of The Empire Theatre (Merseyside) Trust Limited (the charity) for the year ended 31 March 2023.

This report is made solely to the charity's trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My examination has been undertaken so that I might state to the charity's trustees those matters that I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my examination, for the report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



**Tony Stanley ACA
Independent Examiner**

BWM
Tempest
Suite 5.1
12 Tithebarn Street
Liverpool
L2 2DT

Dated: 29/11/23

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023

Current financial year

		Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Total 2023 £	Total 2022 £
	Notes				
<u>Income and endowments from:</u>					
Charitable activities	3	77,262	-	77,262	71,672
Investments	4	1,999	-	1,999	1,115
Other income	5	-	-	-	4,000
Total income		79,261	-	79,261	76,787
<u>Expenditure on:</u>					
Charitable activities	6	80,315	-	80,315	52,166
Net (expenditure)/income for the year/ Net movement in funds		(1,054)	-	(1,054)	24,621
Fund balances at 1 April 2022		280,959	350,000	630,959	606,338
Fund balances at 31 March 2023		279,905	350,000	629,905	630,959

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023

Prior financial year

		Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £
	Notes			
<u>Income and endowments from:</u>				
Charitable activities	3	71,672	-	71,672
Investments	4	1,115	-	1,115
Other income	5	4,000	-	4,000
Total income		76,787	-	76,787
<u>Expenditure on:</u>				
Charitable activities	6	52,166	-	52,166
Net (expenditure)/income for the year/ Net movement in funds		24,621	-	24,621
Fund balances at 1 April 2021		256,338	350,000	606,338
Fund balances at 31 March 2022		280,959	350,000	630,959

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	10		350,000		350,000
Current assets					
Debtors	12	5,741		790	
Cash at bank and in hand		276,010		281,869	
		<u>281,751</u>		<u>282,659</u>	
Creditors: amounts falling due within one year	13	(1,846)		(1,700)	
Net current assets			279,905		280,959
Total assets less current liabilities			<u>629,905</u>		<u>630,959</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	14	350,000		350,000	
General unrestricted funds		<u>279,905</u>		<u>280,959</u>	
			629,905		630,959
			<u>629,905</u>		<u>630,959</u>

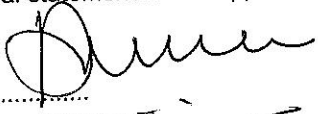
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 6th November 2023.


 Mr D Morgan (Chairman)
 Trustee

Company registration number 01437514

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

The Empire Theatre (Merseyside) Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is c/o Morecrofts LLP, Cotton Exchange, Old Hall Street, Liverpool, L3 9LQ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The Charity has taken advantage of the provisions in the SORP for Charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Funds held by the charity are:

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Grants, including grants for the purposes of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable. Income deferred only when the donor has specified that the income is to be expended in a future period.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure reflects all amounts paid and accrued during the year. All costs are allocated between the expenditure categories of the Statement of Financial Activities (SoFA) on a basis designed to reflect the use of the resource.

Charitable expenditure

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Governance costs

These represent costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examination fees and costs linked to the strategic management of the charity.

1.6 Tangible fixed assets

The charity has a lease of the Empire Theatre building from Liverpool City Centre for a term of 125 years; the lease expires in 2127. The charity sub-lets the theatre to ATG, for commercial use. The tenant is responsible for all property care and maintenance and takes all commercial risks for theatrical activities. ATG makes a management contribution to the Trust.

The financial statements include the value of the lease from Liverpool City Council in its current use by the Trust for its charitable purposes (see note 10). This is estimated at £350,000.

The initial valuation of this asset was based on a valuation that was carried out in April 2000. The trustees consider there is no impairment and that the fair value fairly represents the value in use of the property at the year end.

The lease was not depreciated owing to the long useful economic life of the asset (125 years) and currently no dilapidations have been provided for in repairs.

The trustees consider there is no value to the underlease between the charity and ATG and hence this does not appear in the financial statements.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

The charity benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions. The charity is also able to recover Value Added Tax.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

3 Charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Charitable rental income	77,262	71,672

4 Investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	1,999	1,115

5 Other income

	2023 £	2022 £
Bank incentive	-	4,000

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

6 Charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Management contribution	38,666	35,836
Other professional fees	13	5,784
Promotion of the arts	38,345	6,998
Website costs	196	16
Donations	600	1,192
	<u>77,820</u>	<u>49,826</u>
Share of governance costs (see note 7)	2,495	2,340
	<u>80,315</u>	<u>52,166</u>
Analysis by fund		
Unrestricted funds - general	80,315	
	<u>80,315</u>	
For the year ended 31 March 2022		
Unrestricted funds - general		52,166
		<u>52,166</u>

7 Support costs

	Support costs £	Governance costs £	2023 £	2022 £
Accountancy	-	2,495	2,495	2,340
	<u>-</u>	<u>2,495</u>	<u>2,495</u>	<u>2,340</u>
Analysed between Charitable activities	-	2,495	2,495	2,340
	<u>-</u>	<u>2,495</u>	<u>2,495</u>	<u>2,340</u>

Governance costs includes payments to the independent examiner of £1,595 (2022 - £1,450) for year end statutory accounts and £900 (2022 - £890) for bookkeeping and other services.

8 Trustees

None of the trustees received remuneration for services rendered £nil during the year (2022 one trustee received: £3,000). None of the trustees (or any persons connected with them) received any expenses during the year (2022: £nil).

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

10 Tangible fixed assets

	Leasehold property £
Cost	
At 1 April 2022	350,000
At 31 March 2023	350,000
Carrying amount	
At 31 March 2023	350,000
At 31 March 2022	350,000

The initial valuation of the lease between the charity and Liverpool City Council is based on a valuation on 28 April 2000 by Irving Rice, Surveyors, in the region of £350,000. The Trustees consider there is no impairment to that value and that the net book value fairly represents the fair value of the lease at the year end.

The trustees do not consider any merit in seeking a professional valuation of the lease with Liverpool City Council due to the undue cost to the charity. Accordingly due to the user restrictions and obligations of the Trust in maintaining the building as a theatre there is no readily available comparison in the market.

11 Financial instruments

	2023 £	2022 £
Carrying amount of financial assets		
Debt instruments measured at cost	276,110	281,869
Carrying amount of financial liabilities		
Measured at cost	1,846	1,700

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	100	-
Other debtors	5,641	790
	5,741	790

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals	1,846	1,700

14 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2021 £	Movement in funds Income £	Balance at 1 April 2022 £	Movement in funds Income £	Balance at 31 March 2023 £
Designated fund	350,000	-	350,000	-	350,000
	350,000	-	350,000	-	350,000

The designated fund relates to the value of the lease between the charity and Liverpool City Council (see note 10).

15 Analysis of net assets between funds

	Unrestricted funds 2023 £	Designated funds 2023 £	Total Unrestricted funds 2023 £	Designated funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:					
Tangible assets	-	350,000	350,000	-	350,000
Current assets/(liabilities)	279,905	-	279,905	280,959	280,959
	279,905	350,000	629,905	280,959	630,959

16 Related party transactions

The former company secretary, Mr D Morgan, who is also a trustee, received £nil (2022: £3,000) for secretarial duties in the year. Mr D Morgan resigned as secretary on 14 February 2022 as he was appointed Chair of the Board.

There were no other related party transactions within the period.

17 Company limited by guarantee

The Empire Theatre (Merseyside) Trust Limited is incorporated under the Companies Act 1985 as a company limited by guarantee. The liability of the members is limited to £1.