

**Registration Number NI031527**  
**Charity Number NIC104797**

**DERRY THEATRE TRUST**

**Trustees' Report and Consolidated Financial Statements**

**for the year ended 31 March 2023**

## **DERRY THEATRE TRUST**

<b>Trustees of - Derry Theatre Trust and M Forum Trading Limited</b>	<b>Trustees, officers and advisors</b>	
	Martin Bradley	
	Mary McKenna	
	Martin Mullan	
	Sandra Biddle	Resigned 02 September 2022
	Dolores O'Reilly	
	Conal Casey	
	Shauna Cusack*	
	Sean Carr*	Resigned 04 May 2023
	Patricia Logue*	Resigned 04 May 2023
	Sean Fleming*	Appointed 06 July 2023
<b>Directors of subsidiary company Millennium Forum Productions Limited</b>	Niree McMorris*	Appointed 06 July 2023
	*nominated by Derry City & Strabane District Council	
<b>Key Management Personnel</b>	Martin Bradley	
	David McLaughlin	
	David McLaughlin	
	Elaine McParland	
	Lisa Heaney	
	Lorcan McLaughlin	
<b>HMRC Charity No. Charity Commission No.</b>	Paul Mason	
	XR16635	
	NIC104797	
	Newmarket Street	
	Londonderry	
<b>Registered Office &amp; Business Address</b>	BT48 6EB	
	McDaid McCullough Moore	
	Chartered Accountants and Statutory Auditor	
<b>Independent Auditors</b>	28/32 Clarendon Street	
	Derry BT48 7HD	
<b>Bankers</b>	Allied Irish Bank	
	Strand Road	
	Londonderry	
<b>Solicitors</b>	BT48 7TN	
	Guckian Flanagan Solicitors	
	7 Limavady Road	
	Londonderry	
	BT47 6JU	

# **DERRY THEATRE TRUST**

## **Trustees' Report and Consolidated Financial Statements for the year ended 31 March 2023**

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**DERRY THEATRE TRUST**  
**Company limited by guarantee**  
**Trustees' report (incorporating the directors' report and strategic report)**  
**for the year ended 31 March 2023**

The Trustees' (in their capacity as Trustees' and Directors) present their annual report for the year ended 31 March 2023. This report has been prepared by the trustees' in accordance with the requirements of Section 414 of the Companies Act 2006. The results represent a complete year of trading, the first complete year since the Covid pandemic.

The company is a registered charity, limited by guarantee whose governing document is the memorandum and articles of association.

## **Strategic Report**

### **Objectives & activities**

The principal activity of Derry Theatre Trust is the operation of the Millennium Forum theatre complex for arts and entertainment purposes. The Trust was established to promote, maintain, improve and advance the education of the public in the City of Derry and Northern Ireland, in the Arts.

To achieve this objective the theatre has put on a wide variety of shows, including professional shows such as West End productions, performances by local amateur drama groups, educational projects, comedy acts and internationally recognised musicians. The general public, male and female, young and old, have access to a wide variety of performances to suit all tastes. The theatre also provides an educational outreach programme during the summer months in conjunction with local schools and local groups which provides a framework for development of local artists.

The facilities of the theatre are also used by local drama, music and dance groups. The aims of Derry Theatre Trust / the Millennium Forum theatre are:

- to present a unique theatrical experience;
- to promote arts & culture in the North West of Ireland;
- to establish the Millennium Forum as a leading conference centre; and
- to develop and sustain a successful organisation and to provide public benefit.

The trustees' vision for the Millennium Forum is to be the regional theatre of choice for the North West, delivering a financially sustainable mixed arts programme accessible to the majority of people in the catchment area. The entertainment programme aims to satisfy the audience, ensuring maximum box office income at minimum cost, without reducing standards and maintaining the financial stability of the theatre.

### **Public benefit**

Derry Theatre Trust strives to ensure that the Millennium Forum provides public benefit. The public benefit test is at the heart of what it means to be a charity. Derry Theatre Trust's principal objective is to establish, maintain and promote a theatre for arts and entertainment purposes. In setting this objective the Trustees have considered the Charity Commission for Northern Ireland's guidance on public benefit to ensure that its activities have helped to achieve its principal objective of public benefit for its beneficiaries.

The public benefit that Derry Theatre Trust provides through promoting its activities are:

- presenting live performances of plays, musicals, opera, dance, comedy acts, childrens shows and various genres of music;
- providing hire facilities for local groups (drama, musical, dance);
- provision of an all in one leisure facility in the form of theatre, restaurant & bar facilities;
- enhancing the local economy from audiences visiting the theatre and staying in the area, resulting in increased business for hotels, bars, restaurants and taxi companies;

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**for the year ended 31 March 2023**

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- contracting with local suppliers for food/bar stocks, brochure production and advertising; and
- providing full and part time employment.

The Trustees' give careful consideration in setting admission prices to the theatre, so that the facility is accessible to everyone interested in the Arts, in that admission prices differ depending on the night of the performance, on seat location etc. Local amateur drama groups also benefit from reduced theatre hire rates.

The trustees' believe that they are therefore meeting the public benefit test by increasing the accessibility of the theatre to both paying patrons / local groups and the commercial effect of the theatre location to the local economy.

### **Achievements and performances**

The results presented are for 12 months trading.

Key performance indicators for the company are as follows:

	<b>2023</b>	<b>2022</b>
Shows/conferences	120	45
Performances	231	111
Audience	168,501	58,294

In promoting its principal objective of promoting the Arts, during the year the theatre programme included West End Shows such as Blood Bros and Six, musical performances by Imelda May and The High Kings, Amateur performances of High School Musical, comedy acts such as Tommy Tiernan and Jason Manford, cultural shows ranging from the Ulster Orchestra to the Ukrainian Ballet as well as local performance shows of Cinderella and Myra.

### **Financial review**

Income for the year was £4,842,610 (2022 - £2,427,178 ) resulting in an operating deficit of (£139,297) (2022 - (£212,661)) before actuarial changes in the pension scheme. A detailed analysis of income and expenditure is provided in notes to the accounts. Grant aid, in addition to core funding from Derry City & Strabane District Council and the Arts Council, of £160,936 was obtained. Net assets at the balance sheet date were £8,241,590 (2022 - £7,169,877).

The valuation of the pension scheme assets and liabilities at the balance sheet date resulted in a surplus of £1,211,000 (2022 - surplus £507,000). The surplus on the pension scheme was a result of changes to key assumptions used to calculate the present value of the scheme assets and liabilities. The discount rate has increased by 1.9%, the CPI inflation assumption has reduced by 0.4% and the salary increase assumption has reduced by 0.4%. There has also been a change to the post retirement mortality assumptions.

Continued provision of core funding from Derry City & Strabane District Council £443,300 (2022 - £443,300) and The Arts Council £90,250 (2022 - £70,250) are of vital importance to the operation of the theatre. Additional funding of £49,850 from the Arts Council and £17,141 from Derry City & Strabane District Council was obtained to help counter the cost of living crisis. The Trustees gratefully acknowledge the continued support of all funding bodies.

The trustees' are satisfied with the results for the year and expect a continued improvement in results when public confidence has been fully restored after the Covid pandemic.

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**for the year ended 31 March 2023**

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**Principal risks and uncertainties**

The management has conducted its own review of the major risks to which the Trust is exposed and systems have been established to mitigate those risks.

The principle risk in the current climate is business performance risk. This is the risk that the theatre will not operate as expected due to both internal and external factors such as Covid-19 and social distancing requirements and also competition in the Arts sector. Measures to mitigate this risk include appropriate management personnel, business planning and reporting and financial controls.

The Trust continually monitors its exposure to financial risk. Given the size of the group & company, the trustees have not delegated the responsibility of monitoring financial risk to a sub committee. The policies set by the trustees are implemented by the finance department.

The financial viability and sustainability of the theatre is a major risk recognised. The shows performance schedule is of utmost importance and is carefully planned to ensure adequate cashflows and where possible to maximise funding. Diversification of activities via M Forum Trading Limited and Millennium Forum Productions Limited, including more emphasis on the income generated from the bars, sponsorship and advertising have also been identified.

Business and finance risk is managed by ensuring appropriate staff, with appropriate experience are in place and budgets and forecasts prepared and reported on monthly. The reporting network makes use of an established IT system which combines a general accounting package, a bar software package and a box office system, all of which are continuously updated and maintained.

The Trust's financial assets includes cash, trade and other debtors and trade creditors and accruals together with deferred income. Associated risks include credit risk and liquidity risk. To minimise credit risk the Trust has implemented policies that require appropriate credit checks on potential customers before transactions take place. To minimise liquidity risk performances are carefully planned to ensure appropriate cash flows exist to meet operational costs (advance box office ticket sales reduces liquidity risk).

Internal risks are minimised by the implementation of controls and procedures for authorisation of all transactions.

The theatre is committed to operating in a healthy and safe working environment. Health & safety risk is minimized by implementation and promotion of health and safety policies and extensive training. Covid-19 health & safety measures introduced include appointment of a Health & Safety officer, hand and hygiene washing procedures, social distancing protocols - signage and floor markings and provision of PPE equipment.

**Health & safety**

The company has in place a Health and Safety Policy which requires it to comply as a minimum with all legislation and to take all reasonable practicable steps to ensure the safety, health and welfare of all employees, patrons and anyone else affected by the activities carried out.

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**Trustees' report (incorporating the directors' report and strategic report)**  
**for the year ended 31 March 2023**

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## **Trustees' Annual Report**

### **Structure, governance and management**

#### *Governing document*

The Trust is a charitable company, limited by guarantee (with no share capital) and its governing document is its Memorandum and Articles of Association. The Trust's charitable status is recognised by HM Revenue & Customs - Charity number XR16635. The company is registered with the Charities Commission, No. NIC104797.

#### **Organisational structure**

Derry Theatre Trust is managed by the trustees. Trustees are either nominated - by Derry City & Strabane District Council or ordinary - chosen based on their skills and professional backgrounds so as to ensure a wide range of experience is represented on the Board. Trustees meet bi-monthly to review performance, determine strategies, assess risk and plan future policies.

The Trust has two wholly owned subsidiary companies, M Forum Trading Limited and Millennium Forum Productions Ltd.

M Forum Trading Limited is responsible for the theatrical operation of the Millennium Forum, including all ancillary services such as the operation of the box office and the bars. All costs incurred, other than wages (a cost of Derry Theatre Trust), are incurred by M Forum Trading Limited. Any year end surplus is gifted to Derry Theatre Trust, who also collects the rental income, receives the operating grants from Derry City & Strabane District Council and the Arts Council and employs and pays the staff to operate the theatre. The Trust owns the freehold property and the plant and machinery together with fixtures and fittings.

Millennium Forum Productions Ltd is responsible for producing the external touring performances of "Titanic Dance" and other productions that may arise.

The Trust is managed daily by the chief executive, David McLaughlin and senior employees. The senior employees from finance, box office, marketing, development, front of house, technical and the bars, report daily to the chief executive ensuring the smooth operation of the theatre.

The chief executive is responsible for artistic policy, contracting with artists and booking the daily program of performances and also for ensuring that the theatre complies with all relevant regulations including Covid-19 and social distancing regulations and other health & safety requirements of staff and the public. Various sub committees operate at the theatre to look into all aspects of operations such as funding and access to the Arts for all, including patrons who suffer from dementia.

The Trust is an equal opportunities employer committed to positive policies on recruitment, training and career development for staff members (and potential staff members) regardless of marital status, religion, colour, race, ethnic origin or disability. The Trust also accommodates customers with disabilities with the use of Braille materials, captioned performances, the loop system, signed performances, relaxed performances and special access to certain parts of the auditorium.

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**Appointment and training of trustees**

New trustees are nominated by current trustees and from nominations proposed by Derry City & Strabane District Council. Also in 2023 public advertisements were placed in local media seeking new trustees. Induction and training of new trustees is provided by existing trustees and by employees. Most trustees, due to their experience and backgrounds are already familiar with the work of the theatre.

**Investment policy**

The Trust operates a prudent investment policy. Investment opportunities when they arise are in the form of short term, low risk bank deposits.

**Reserves policy**

The trustees have examined the charity's requirements for reserves taking into account the risks that the Trust has recognised. The reserve requirement is estimated to be at least three months of expenditure. Expenditure of the charity is currently £4.98 million, equating to quarterly expenditure of approximately £1,245,000. The Trust intends to increase reserves to this desired level when future opportunities arise.

The actual reserves at 31 March 2023 falls short of the desired level and the trustees recognise it will take a considerable period of time to achieve their target but anticipate a gradual increase over time.

**Plans for the future**

The Trustees' future aims are:

1. The financial viability of the theatre;
2. Maintaining the theatre's position as the ultimate venue of choice for theatre goers in the catchment area;
3. Ensuring maximum accessibility of the theatre to all groups in the catchment area;
4. The introduction of additional programming that will attract new patrons to the theatre;
5. To co-operate with other bodies in producing work that can tour the major theatres in Northern Ireland, the Republic of Ireland, mainland UK, China and USA; and
6. To make facilities available to local groups, at a cost that is not prohibitive.

The Trustees', as a result of the above aims, expect to increase core revenue streams whilst continuing to promote non core activities.

The future plans of the Trust encompass strategies that are designed to broaden the Theatre's audience base, to confirm its position as the cultural centre of the north west and to maintain financial stability.

**Related parties**

Derry City & Strabane District Council, with whom the company has a close working relationship, nominates trustees to the board of trustees and attends the monthly board meetings. The Trust continues to receive vital annual funding from Derry City & Strabane District Council and Arts Council towards core operating costs.

**Donations**

The Millennium Forum charges a development donation on all ticket sales. This donation during the year was £182,143 (31 March 2022 - £74,000). This donation is a restricted fund and will be used for improvements, development of shows, enhancement expenditure and future refurbishment projects at the theatre.



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**Environmental policy**

The group & company is committed to reducing its environmental impact and to continually improving its environmental performance. It has a duty of care with respect to its environmental practice and to achieve this it:

- wholly supports and complies with the requirements of current environmental legislation and codes of practice;
- minimises waste and recycles as much as possible;
- minimises energy and water waste in order to conserve supplies and also consumption of natural resources, especially where they are non-renewable;
- operates and maintains equipment with due regard to environmental issues;
- assesses, in advance, the environmental impact of any new products or services intended for introduction, so that no damage is done to the environment;
- ensures that all employees understand the group & company's environmental policy and conform to the standards by training and instruction;
- promptly addresses any complaints about breaches of environmental policy to the satisfaction of all concerned; and
- constantly reviews policy to ensure adequacy.

**Statement of disclosure of information to auditors**

We, the trustees of the charitable company who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information (information needed by the charitable group & company's auditors in connection with preparing their report) of which the charitable company's auditors are unaware, and
- we have taken all the steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

**Auditors**

McDaid McCullough Moore are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

This report is prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to medium sized companies.

The Chairman and Trustees would like to express their thanks to the management and staff at the Millennium Forum for their endeavours over the last year and to the theatre patrons for their continued support.

This report was approved and authorised for issue by the Trustees on 7 September 2023 and signed below on its behalf by:

  
**Mary McKenna**  
**Secretary**

**DERRY THEATRE TRUST**  
**Trustees' responsibility statement**  
**for the year ended 31 March 2023**

**Trustees' responsibilities**

The trustees are responsible for preparing the trustees annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company 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 apply them consistently;
- observe the methods and principles in the Charities SORP2019;
- 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 charitable company will continue in business.

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

## **DERRY THEATRE TRUST**

### **Independent auditor's report to the members of DERRY THEATRE TRUST**

We have audited the financial statements of DERRY THEATRE TRUST (the charitable company) and its subsidiaries for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the consolidated and charitable company statement of financial position, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISA's (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to Going Concern**

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees' are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

## **DERRY THEATRE TRUST**

### **Independent auditor's report to the members of DERRY THEATRE TRUST continued**

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the trustees' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (including the strategic report) has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group & company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable group & company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees'**

As explained more fully in the trustees' responsibilities statement, the trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees' determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees' are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees' either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **DERRY THEATRE TRUST**

### **Independent auditor's report to the members of DERRY THEATRE TRUST continued**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the charitable group & company and the environment in which it operates, we identified that the group & company's principal risks were of non-compliance with laws and regulations relating to charitable companies, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax and payroll tax.

Audit procedures performed to address the risk included the following:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- Identifying and testing journals and the rationale behind significant or unusual transactions, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## **DERRY THEATRE TRUST**

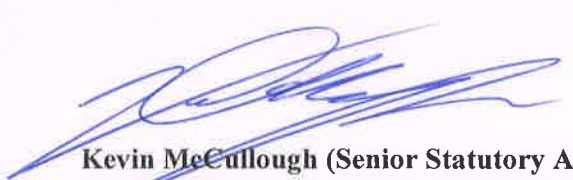
### **Independent auditor's report to the members of DERRY THEATRE TRUST continued**

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees'.
- conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Kevin McCullough (Senior Statutory Auditor)**  
**For and on behalf of McDaid McCullough Moore**  
**Chartered Accountants and**  
**Statutory Auditor**  
**28/32 Clarendon Street**  
**Derry BT48 7HD**

**Date : 7 September 2023**

**DERRY THEATRE TRUST**  
**Company limited by guarantee**  
**Statement of Financial Activities**  
**(including Income & Expenditure Account)**  
**for the year ended 31 March 2023**

		Unrestricted income funds	Restricted income funds	Restricted capital funds	2023 Total	Unrestricted income funds	Restricted income funds	Restricted capital funds	2022 Total
	Notes	£	£	£	£	£	£	£	£
<b>Income</b>									
Donations	2	-	182,143	-	182,143	-	74,000	-	74,000
Income from charitable activities	2	3,269,912	674,486	-	3,944,398	1,450,690	518,950	6,865	1,976,505
Income from other trading activities	2	702,527	-	-	702,527	376,516	-	-	376,516
Investment income	3	13,542	-	-	13,542	157	-	-	157
<b>Total income</b>		<u>3,985,981</u>	<u>856,629</u>	<u>-</u>	<u>4,842,610</u>	<u>1,827,363</u>	<u>592,950</u>	<u>6,865</u>	<u>2,427,178</u>
<b>Expenditure</b>									
Charitable activities	4	3,828,558	674,486	229,040	4,732,084	1,792,559	518,950	229,040	2,540,549
Trading activities	4	249,823	-	-	249,823	99,290	-	-	99,290
<b>Total expenditure</b>		<u>4,078,381</u>	<u>674,486</u>	<u>229,040</u>	<u>4,981,907</u>	<u>1,891,849</u>	<u>518,950</u>	<u>229,040</u>	<u>2,639,839</u>
<b>Net expenditure</b>		<u>(92,400)</u>	<u>182,143</u>	<u>(229,040)</u>	<u>(139,297)</u>	<u>(64,486)</u>	<u>74,000</u>	<u>(222,175)</u>	<u>(212,661)</u>
Actuarial gain in respect of defined benefit pension scheme									
	20	1,211,000	-	-	1,211,000	507,000	-	-	507,000
<b>Net movement in funds</b>		<u>1,118,600</u>	<u>182,143</u>	<u>(229,040)</u>	<u>1,071,703</u>	<u>442,514</u>	<u>74,000</u>	<u>(222,175)</u>	<u>294,339</u>
Total funds brought forward		<u>(1,107,516)</u>	<u>879,961</u>	<u>7,397,442</u>	<u>7,169,887</u>	<u>(1,550,030)</u>	<u>805,961</u>	<u>7,619,617</u>	<u>6,875,548</u>
<b>Total funds carried forward</b>	22 / 23	<u>11,084</u>	<u>1,062,104</u>	<u>7,168,402</u>	<u>8,241,590</u>	<u>(1,107,516)</u>	<u>879,961</u>	<u>7,397,442</u>	<u>7,169,887</u>

All income and expenditure derive from continuing activities

No separate income and expenditure account is presented in accordance with the provisions of Article 408 of the Companies Act 2006.

The notes on pages 17 to 38 form an integral part of these financial statements.

# DERRY THEATRE TRUST

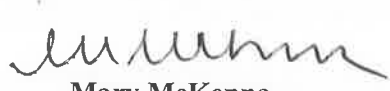
Company No.NI031527

## Consolidated statement of financial position as at 31 March 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	13		1		1
Tangible assets	14		7,306,993		7,555,301
			<u>7,306,994</u>		<u>7,555,302</u>
<b>Current assets</b>					
Stocks	16	17,460		20,140	
Debtors	17	227,424		169,614	
Cash at bank and in hand	18	2,454,076		1,902,777	
		<u>2,698,960</u>		<u>2,092,531</u>	
<b>Creditors: amounts falling due within one year</b>	19	(1,829,364)		(1,488,946)	
<b>Net current assets</b>			<u>869,596</u>		<u>603,585</u>
<b>Total assets less current liabilities</b>			8,176,590		8,158,887
Pension asset/( liability)	20		65,000		(989,000)
<b>Net assets</b>			<u>8,241,590</u>		<u>7,169,887</u>
<b>Funds</b>					
Restricted funds	22		8,230,506		8,277,403
Unrestricted funds	23		11,084		(1,107,516)
<b>Total charity funds</b>			<u>8,241,590</u>		<u>7,169,887</u>

The financial statements were approved and authorised for issue by the Trustees on 7 September 2023 and were signed below on its behalf by

  
Martin Bradley  
Trustee

  
Mary McKenna  
Trustee

The notes on pages 17 to 38 form an integral part of these financial statements.



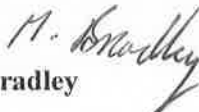
# DERRY THEATRE TRUST


Company No.NI031527

## Company statement of financial position as at 31 March 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	13		1		1
Tangible assets	14		7,288,568		7,528,350
			<u>7,288,569</u>		<u>7,528,351</u>
<b>Current assets</b>					
Debtors	17	442,883		227,865	
Cash at bank and in hand	18	920,267		855,456	
		<u>1,363,150</u>		<u>1,083,321</u>	
<b>Creditors: amounts falling due within one year</b>	19	(105,497)		(93,238)	
<b>Net current assets</b>			<u>1,257,653</u>		<u>990,083</u>
<b>Total assets less current liabilities</b>			8,546,222		8,518,434
Pension asset/(liability)	20		65,000		(989,000)
<b>Net assets</b>			<u>8,611,222</u>		<u>7,529,434</u>
<b>Funds</b>					
Restricted funds	22		8,212,081		8,250,452
Unrestricted funds	23		399,141		(721,018)
<b>Total charity funds</b>			<u>8,611,222</u>		<u>7,529,434</u>

The financial statements were approved and authorised for issue by the Trustees on 7 September 2023 and were signed below on its behalf by

  
Martin Bradley  
Trustee

  
Mary McKenna  
Trustee

The notes on pages 17 to 38 form an integral part of these financial statements.

# DERRY THEATRE TRUST

## Consolidated statement of cash flows for the year ended 31 March 2023

	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net (deficit) before actuarial gain / (deficit)		(139,297)	(212,661)
<i>Adjustments for:</i>			
Depreciation		248,308	250,800
Defined benefit pension scheme service cost		157,000	150,000
<i>Changes in:</i>			
Stocks		2,680	(17,876)
Debtors		(57,810)	142,243
Creditors		340,418	834,877
<b>Cash generated from operating activities</b>		551,299	1,147,383
 <b>Cash flow from investing activities</b>			
Payments to acquire tangible fixed assets		-	(46,515)
<b>Net increase in cash and cash equivalents in the year</b>		551,299	1,100,868
<b>Net debt at 1 April 2022</b>		1,902,777	801,909
<b>Net cash and cash equivalents at 31 March 2023</b>	<b>18</b>	2,454,076	1,902,777

# **DERRY THEATRE TRUST**

## **Notes to Financial Statements for the year ended 31 March 2023**

### **1. Accounting Policies**

#### **1.1. Accounting convention and basis of preparation**

The charity constitutes a public benefit entity as defined by FRS 102. Derry Theatre Trust is a private company limited by guarantee, registered in Northern Ireland. The address of the registered office is Millennium Forum, Newmarket Street, Derry BT48 6EB.

The group financial statements have been prepared under the historical cost convention and in accordance with the Charities SORP (FRS 102) for charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102) applicable in the UK and Republic of Ireland (issued in October 2019), the Companies Act 2006 and under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. The financial statements are prepared in sterling, which is the functional currency of the entity.

Accounting policies have been applied consistently in the current and preceding year.

#### **1.2. Basis of Consolidation**

The Group financial statements comprise the financial statements of Derry Theatre Trust and its subsidiary companies, M Forum Trading Limited and Millennium Forum Productions Limited. The financial statements of the subsidiary companies are prepared for the same reporting year as the parent company, using consistent accounting policies.

A subsidiary is an entity controlled, either directly or indirectly, by the Company, where control is the power to govern the financial and operating policies of the entity so as to obtain benefit from its activities.

The directors have taken advantage of the exemption available under section 408 of the Companies Act 2006 and not presented a separate statement of financial activities for the company.

#### **1.3. Income**

Income is included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. Income represents theatre ticket sales, theatre and room rentals, merchandise income, bar and confectionery sales and income from advertising, marketing & sponsorship, exclusive of value added tax. Income also includes grant income from Derry City & Strabane District Council, the Arts Council and Arts & Business.

Income from theatre ticket sales, received in advance of a performance, is deferred to the date of the performance and matched against the cost of the relevant performance.

Capital grants are recognised in the year of receipt in the statement of financial activities and treated as restricted funds with the related depreciation of the assets charged against the same fund.

The deferred development donation, is recognised when received, is a restricted fund donation added to the ticket costs to the patrons of the theatre and is used for improvements, development of shows, enhancement expenditure and to finance future refurbishment projects.

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2023

..... continued

### 1.4. Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure, where relevant, is exclusive of VAT.

Charitable activities expenditure comprises those costs incurred by the charity in the deliverance of its charitable activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs not directly related to theatrical performances are allocated where possible to the performance of that activity. Support costs include office costs, legal & professional costs and administrative payroll costs.

### 1.5. Conference licence

The conference licence is valued at cost less accumulated amortisation.

Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 5 years.

### 1.6. Tangible fixed assets and depreciation

Tangible fixed assets with a life expectancy of greater than one year, are initially recorded at cost and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Buildings	-	straight line over fifty years
Piazza development	-	2% - 20% straight line
Plant and machinery	-	10%-20% straight line
Fixtures, fittings and equipment	-	20% straight line

Land is not depreciated.

### 1.7. Impairment of assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

### 1.8. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

# **DERRY THEATRE TRUST**

## **Notes to Financial Statements for the year ended 31 March 2023**

..... continued

### **1.9. Subsidiaries**

Fixed asset investments reflect the company interest in the wholly owned subsidiary companies M Forum Trading Limited and Millennium Forum Productions Limited.

Investments are measured at the lower of cost and net realisable value.

### **1.10. Stock**

Stock is valued at the lower of cost and net realisable value; in respect of stocks, cost is calculated on a first in first out basis. Cost includes purchase price and transport costs less trade discounts and rebates. Net realisable value is based on selling price less any further costs of disposal.

### **1.11. Pension and other post - retirement benefits**

The charitable company operates a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the charitable company.

Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value using a discount rate of 4.6% (2022 - 2.7%).

Pension scheme assets are valued at market value at the balance sheet date.

The pension scheme charge in the Statement of Financial Activities is the current and past service cost plus financing cost less employers contributions. The pension scheme deficit is recognised in full on the balance sheet.

### **1.12. Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of the transactions. All differences are taken to the Statement of Financial Activities.

### **1.13. Funds**

The funds of the charitable group & company consist of restricted funds and unrestricted funds.

Unrestricted funds are funds available for use by the charity at the discretion of the trustees in furtherance of the general objectives of the charity and have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors. The aim and use of each restricted fund is set out in the notes to the financial statements.

### **1.14. Donated assets**

Donated assets are included in the financial statements at the lower of cost or net realisable value. The trustees estimate of replacement cost is based on existing market valuations for similar assets.

# **DERRY THEATRE TRUST**

## **Notes to Financial Statements for the year ended 31 March 2023**

..... continued

### **1.15. Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that adequate resources are available to continue operations and no material uncertainties exists. The Trustees have considered the level of funds held and the expected level of income and expenditure for twelve months from authorising these financial statements. The basis of their judgement, taking into account the current financial climate, include revenues expected from the 23/24 programme, current revenues versus budget and continued support from funding bodies.

### **1.16. Debtors**

Debtors and prepayments are recognised at the settlement amount due after any trade discount.

### **1.17. Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in a payment to a third party and the amount can be reliably estimated.

### **1.18. Judgements and key sources of uncertainty**

In applying company accounting policies the Trustees are required to make judgements and estimates on an ongoing basis about the carrying value of the company assets and liabilities. If revision is required, the revision is recognised in that period together with future periods if necessary.

The depreciation charge in respect of tangible fixed assets is based on the estimated useful life of each group of assets. Revision of estimated useful life of each grouping will affect the estimates charged in the Statement of Financial Activities.

### **1.19. Financial instruments**

The group and company financial assets and liabilities are considered basic financial instruments. The financial asset or liability is initially recognised at transaction value and recognised only when the company becomes a party to the contractual provisions of the instrument.

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2023

..... continued

2. Donations	Unrestricted income funds £	Restricted income funds £	Restricted capital funds £	2023 Total £	2022 Total £
Development donation	-	182,143	-	182,143	74,000
	-	182,143	-	182,143	74,000
<b>Income from charitable activities</b>	<b>Unrestricted income funds £</b>	<b>Restricted income funds £</b>	<b>Restricted capital funds £</b>	<b>2023 Total £</b>	<b>2022 Total £</b>
Derry City & Strabane District Council	-	460,441	-	460,441	446,750
Arts Council of Northern Ireland	-	140,100	-	140,100	70,250
Sundry grants	15,202	73,945	-	89,147	222,899
	15,202	674,486	-	689,688	739,899
Box office	2,706,265	-	-	2,706,265	964,835
On-line donations	14,558	-	-	14,558	1,917
Performance rentals	190,375	-	-	190,375	32,720
Programme/merchandising	2,536	-	-	2,536	1,738
Costs recharged	214,869	-	-	214,869	42,094
Room/piazza rentals	126,107	-	-	126,107	13,122
Coronavirus Job Retention Scheme	-	-	-	-	180,180
	3,269,912	674,486	-	3,944,398	1,976,505
<b>Income from other trading activities</b>					
FOH and bar income	372,925	-	-	372,925	197,118
Sponsorship income	49,788	-	-	49,788	14,250
Advertising income	18,930	-	-	18,930	1,624
Confectionery sales	125,818	-	-	125,818	55,218
Miscellaneous income	2,358	-	-	2,358	758
Rental income	132,708	-	-	132,708	107,548
	702,527	-	-	702,527	376,516
<b>3. Group investment income</b>				<b>2023 £</b>	<b>2022 £</b>
Bank interest				13,542	157

# **DERRY THEATRE TRUST**

## **Notes to Financial Statements for the year ended 31 March 2023**

\*\*\*\*\* continued

### **4. Costs of charitable activities - by activity**

	<b>Charitable activities</b>	<b>Trading activities</b>	<b>2023 Total</b>	<b>2022 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Production costs	2,219,381	-	2,219,381	741,926
Wages	732,624	58,649	791,273	555,331
Cost of sales - bar	-	135,722	135,722	56,264
Outside catering	54,932	-	54,932	-
Cost of sales - confectionery	-	42,698	42,698	14,891
Marketing & advertising	78,587	-	78,587	44,978
Depreciation	243,634	4,674	248,308	250,800
Maintenance	350,556	-	350,556	199,888
Grant expenditure	63,969	-	63,969	3,450
Support costs (below)	988,401	8,080	996,481	772,311
	<u>4,732,084</u>	<u>249,823</u>	<u>4,981,907</u>	<u>2,639,839</u>

### **Support costs**

	<b>Core Theatre activities</b>	<b>Trading activities</b>	<b>2023 Total</b>	<b>2022 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Administration wages	427,616	-	427,616	387,622
Staff training & welfare	1,140	-	1,140	3,632
Computer costs	75,036	5,580	80,616	47,568
Telephone	14,262	-	14,262	21,341
Rates	8,434	-	8,434	3,591
Light & heat	150,797	-	150,797	99,582
Cleaning	56,105	-	56,105	28,888
Insurance	42,296	1,500	43,796	37,506
Miscellaneous	155,134	-	155,134	113,637
Audit fees	9,000	1,000	10,000	9,497
Legal & professional fees	48,581	-	48,581	19,447
	<u>988,401</u>	<u>8,080</u>	<u>996,481</u>	<u>772,311</u>

Support costs where ascertainable are allocated directly to the related activity.

Expenditure allocation between restricted and unrestricted is included in the funds notes.



# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2023

..... continued

<b>5. Group deficit</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Net deficit is stated after charging:		
Depreciation of tangible assets	248,308	250,800
(Profit)/Loss on foreign exchange	(472)	(516)
Operating lease rentals		
- Office equipment	<u>3,682</u>	<u>1,486</u>
<b>6. Auditors' remuneration</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Fees payable to the companies auditors for the audit of the companies annual financial statements	1,800	1,800
Fees payable to the companies auditors for the audit of the subsidiary companies	<u>8,200</u>	<u>7,697</u>
	<u>10,000</u>	<u>9,497</u>
<b>7. Income and Expenditure account</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Income per Statement of Financial Activities	4,842,610	2,427,178
less		
Capital grant income	-	(6,865)
	<u>4,842,610</u>	<u>2,420,313</u>
Expenditure	<u>(4,981,907)</u>	<u>(2,639,839)</u>
Net deficit	<u>(139,297)</u>	<u>(219,526)</u>
<b>8. Group interest payable and similar charges</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Interest	<u>798</u>	<u>-</u>

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2023

..... continued

### 9. Employees - Company and group

Number of employees	2023	2022
The average monthly numbers of employees (including the chief executive) during the year were:		
Front of House / Security	17	16
Technical	8	9
Administration	4	4
Box Office	10	10
Marketing	3	5
Bar	17	10
Development	3	-
	<u>62</u>	<u>54</u>
<b>Employee status</b>		
Full time employees	18	16
Part time employees	<u>44</u>	<u>38</u>

Employment costs	2023 £	2022 £
Wages and salaries	878,075	667,657
Social security costs	64,447	45,515
Pension costs-other operating charge	259,162	229,781
Compensation for loss of office	17,205	-
	<u>1,218,889</u>	<u>942,953</u>

### Pension

The company defined benefit pension scheme deficit has improved during the year, from a deficit of (£989,000) in 2022 to surplus of £65,000 in 2023. This is principally because of changes to key assumptions used to calculate the present value of scheme assets, changes in asset returns and changes in demographic assumptions to allow for the effect of Covid-19 in relation to post-retirement mortality rates. Refer to note20.

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2023

..... continued

### 9.1. Key management personnel

	2023	2022
<b>Chief executives' emoluments</b>	<b>£</b>	<b>£</b>
Remuneration and other emoluments	78,842	75,286
Pension contributions	14,442	13,717
	<u>93,284</u>	<u>89,003</u>

Emoluments of other employees did not exceed £60,000.

### Key management personnel remuneration

Wages and salaries (including pension contributions)	166,579	198,981
Social security costs	14,950	16,801
	<u>181,529</u>	<u>215,782</u>

Remuneration of full time key management personnel is set by the Trustees, as adjusted by inflation.

### 9.2. Trustees' remuneration

The trustees were not remunerated for their services during the year (2022 - £NIL).

One trustee was reimbursed £3,000 in respect of mileage and subsistence expenses incurred during the year (2022 - £3,000).

### 10. Pension costs

The group operates a defined benefit pension scheme. The scheme and its assets are held by independent managers. Charges incurred in arriving at operating deficit for the year and the statement of recognised gains and losses for the year are shown in note 20 the accounts.

### 11. Tax on ordinary activities

No group charge to corporation tax arises in the year ended 31 March 2023 (31 March 2022 - £ nil). Derry Theatre Trust is a registered charity for tax purposes and the company policy of the subsidiary companies, is to gift aid any surplus to the parent company, Derry Theatre Trust. As a result no corporation tax liability arises.

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2023

..... continued

### 12. Deficit for the year attributable to members'

The trustees have taken advantage of the exemption available under section 408 of the Companies Act 2006 and not presented a separate statement of financial activities for the charitable company.

The results of the parent undertaking for the year ended 2023 showed a deficit of (£129,212) and a surplus of £1,081,788 after crediting a surplus on actuarial pension of £1,211,000 (2022 showed a deficit of (£305,008) and a surplus of £201,992 after crediting a surplus of on actuarial pension of £507,000.

### 13. Intangible fixed assets - Group and company

#### Conference licence

#### Total

#### Cost

#### £

At 1 April 2022

At 31 March 2023

20,443

#### Amortization

At 1 April 2022

At 31 March 2023

20,442

#### Net book values

At 31 March 2023

1

At 31 March 2022

1

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2023

continued

### 14. Tangible fixed assets

Group	Land and buildings freehold £	Piazza development £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>					
At 1 April 2022	11,369,599	487,326	2,616,284	907,528	15,380,737
At 31 March 2023	11,369,599	487,326	2,616,284	907,528	15,380,737
<b>Depreciation</b>					
At 1 April 2022	4,242,363	240,553	2,521,137	821,383	7,825,436
Charge for the year	207,392	7,702	-	33,214	248,308
At 31 March 2023	4,449,755	248,255	2,521,137	854,597	8,073,744
<b>Net book values</b>					
At 31 March 2023	6,919,844	239,071	95,147	52,931	7,306,993
At 31 March 2022	7,127,236	246,773	95,147	86,145	7,555,301

Company	Land and buildings freehold £	Piazza development £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>					
At 1 April 2022	11,369,599	487,326	2,616,284	864,898	15,338,107
Additions	-	-	-	-	-
At 31 March 2023	11,369,599	487,326	2,616,284	864,898	15,338,107
<b>Depreciation</b>					
At 1 April 2022	4,242,363	240,553	2,521,137	805,704	7,809,757
Charge for the year	207,392	7,702	-	24,688	239,782
At 31 March 2023	4,449,755	248,255	2,521,137	830,392	8,049,539
<b>Net book values</b>					
At 31 March 2023	6,919,844	239,071	95,147	34,506	7,288,568
At 31 March 2022	7,127,236	246,773	95,147	59,194	7,528,350

The cost of depreciable assets included in land and buildings at 31 March 2023 was £10,369,599. At the balance sheet date there was no material difference between carrying value and market value.

The building cost of the theatre building includes the build cost of three rental units. The total cost of these rental units is negligible compared to the total build cost.

## **DERRY THEATRE TRUST**

### **Notes to Financial Statements for the year ended 31 March 2023**

..... continued

#### **15. Group information**

##### **Company**

M Forum Trading Limited and Millennium Forum Productions Limited (company's limited by guarantee) are wholly owned subsidiaries of Derry Theatre Trust, whose registered offices are at Newmarket Street, Derry BT48 6EB. Derry Theatre Trust controls the voting rights of both companies.

##### **Subsidiary undertakings**

<b>Company</b>	<b>Country of incorporation &amp; Company No.</b>	<b>Nature of business</b>
<b>Subsidiary undertakings</b>		
M Forum Trading Limited	Northern Ireland NI050180	Operating a theatre for Arts & Entertainment
Millennium Forum Productions Ltd	Northern Ireland NI637011	Producing external touring performances

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	<b>Reserves</b>	<b>Results</b>
	<b>£</b>	<b>for the year</b>
		<b>£</b>
M Forum Trading Limited	-	-
Millennium Forum Productions Ltd	<u>(388,057)</u>	<u>(1,560)</u>

Income for M Forum Trading Limited for the year amounted to £3,918,055 (2022 - £1,483,179) and expenditure for the year amounted to £3,497,473 (2022 - £1,360,524). Normal company policy of M Forum Trading Limited is to gift any operating surplus to Derry Theatre Trust £420,582 (31 March 2022 - £16,240).

Income for Millennium Forum Productions Ltd for the year amounted to £nil (31 March 2022 - £nil) and costs for the year amounted to £1,560 (31 March 2022 - £12,405).

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2023

continued

16. Stocks	2023	2022
	£	£
Group		
Stocks	17,460	20,140

The replacement value of stock does not materially differ from cost.

17. Debtors	2023	2022
	£	£
Group		
Trade debtors	161,738	71,421
Other debtors	21,824	58,385
Prepayments	43,862	39,808
	227,424	169,614
Company		
Trade debtors	27,527	48,032
Amounts owed by M Forum Trading Limited	406,923	162,270
Other debtors	8,433	17,563
	442,883	227,865

### 18. Cash and cash equivalents

Group	2023	2022
	£	£
Cash at bank and in hand	2,454,076	1,902,777
	2,454,076	1,902,777
Company	2023	2022
	£	£
Cash at bank and in hand	920,267	855,456
	920,267	855,456

Cash and cash equivalents on the balance sheet comprise bank accounts.

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2023

..... continued

19. Creditors: amounts falling due within one year	2023 £	2022 £
<b>Group</b>		
Trade creditors	619,971	417,347
Deferred income	956,500	951,162
Other taxes and social security costs	118,671	21,062
Accrued expenses	134,222	99,375
	<u>1,829,364</u>	<u>1,488,946</u>
	<b>2023 £</b>	<b>2022 £</b>
<b>Company</b>		
Trade creditors	3,200	3,308
Deferred income	14,083	14,688
Other taxes and social security costs	25,648	21,062
Accrued expenses	62,566	54,180
	<u>105,497</u>	<u>93,238</u>

### Security : Company

Charitable company property is secured by :-

Debentures in favour of (1) The Millennium Commission and (2) The Department for Social Development on the Trust's Land contained in folios LY62853 and LY3478 County Londonderry.

Loans from group companies are interest free, unsecured and repayable on demand.



# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2023

..... continued

### Group and company

20. The charitable company operates a funded defined pension plan with benefits earned up to 31 March 2015 linked to final salary and benefits after 31 March 2015 linked to a career average revalued earnings basis. The assets of the scheme are held separately from those of the charitable company. The pension scheme is a multi-employer defined benefit scheme administered by NILGOSC. The scheme operates on a roll forward approach of calculating pension scheme assets and liabilities by making adjustments to the results of the last full valuation (31 March 2022).

### 20.1 Principal actuarial assumptions were :

	2023	2022
	%	%
Salary increase rate	4.1	4.5
Pension increase rate	2.6	3.0
CPI inflation	2.6	3.0
Discount rate	4.6	2.7

Pension contributions are determined by Aon, a member of the Institute of Actuaries, on the basis of the actuarial report in April 2023.

- 20.2 The fair value of the scheme assets, the present value of the scheme liabilities and the resulting surplus/(deficit) are:

	Value at 31/03/23 £	Value at 31/03/22 £
Equities	1,168,400	1,339,767
Bonds	689,356	840,087
Property	327,152	312,300
Other	736,092	630,846
Total market value of assets	2,921,000	3,123,000
Present value of scheme liabilities	(2,856,000)	(4,112,000)
Net pension asset / (liability)	65,000	(989,000)

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2023

..... continued

An analysis of the movements in the deficit during the year are shown below:

### Group and company

	2023	2022
	£	£
(Deficit) brought forward	(989,000)	(1,346,000)
Total operating charge	(231,000)	(199,000)
Total finance cost	(26,000)	(28,000)
Actuarial gain	1,211,000	507,000
Employer contributions	100,000	77,000
Surplus/(Deficit) carried forward	<u>65,000</u>	<u>(989,000)</u>

The employers' contribution into the scheme during the year ended 31 March 2023 amounted to £102,162 - employers' contribution rate of 19.5% (31 March 2022 - £79,782 - at a contribution rate of 19.5%). The employers' contribution for the year ended 31 March 2024 is estimated at £102,000.

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2023

..... continued

### 20.3 Analysis of the amount charged to operating (deficit)

	2023 £	2022 £
Current service cost	(231,000)	(199,000)
Return on pension scheme assets	85,000	60,000
Interest on pension scheme liabilities	(111,000)	(88,000)
Total operating charge	<u>(257,000)</u>	<u>(227,000)</u>

### 20.4 Analysis of amount recognised in Statement of total recognised gains and losses

	2023 £	2022 £
Actuarial (deficit) / gain on pension scheme assets	(369,000)	154,000
Actuarial gain on the scheme liabilities	1,580,000	353,000
Actuarial gain	<u>1,211,000</u>	<u>507,000</u>

### 20.5 History of experience gains and losses

A history of experience gains and losses is shown below:

	2023 £	2022 £	2021 £	2020 £	2019 £
Difference between the expected and actual return on scheme assets:					
amount (£)	(369,000)	154,000	453,000	(631,000)	116,000
percentage of scheme assets	(13)%	(5)%	(16)%	(28)%	(4)%
Experience gains and losses on scheme liabilities:					
amount (£)	1,580,000	353,000	(872,000)	(266,000)	(15,000)
percentage of the present value of the scheme liabilities	(62)%	(9)%	(21)%	(9)%	(0)%
Total amount recognised in Statement of total recognised gains and losses:					
amount (£)	1,211,000	507,000	(419,000)	(365,000)	101,000
percentage of the present value of the scheme liabilities	<u>(42)%</u>	<u>(12)%</u>	<u>(12)%</u>	<u>(12)%</u>	<u>(3)%</u>

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2023

..... continued

### 21. Financial commitments - office equipment

At 31 March 2023 the group had annual commitments under non-cancellable operating leases as follows :

	2023	2022
Expiry date :	£	£
Within one year	1,594	1,806
Between one and five years	1,509	3,300
	<u>3,103</u>	<u>5,106</u>

# **DERRY THEATRE TRUST**

## **Notes to Financial Statements for the year ended 31 March 2023**

..... continued

### **22. Restricted funds - Group**

	<b>2022</b>	<b>Income</b>	<b>Expenditure</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted capital funds</b>				
Capital projects	7,302,442	-	(229,040)	7,073,402
Donation	95,000	-	-	95,000
	<u>7,397,442</u>	<u>-</u>	<u>(229,040)</u>	<u>7,168,402</u>
<b>Restricted income funds</b>				
Development donations	879,961	182,143		1,062,104
Derry City & Strabane District Council	-	443,300	(443,300)	-
Arts Council for Northern Ireland	-	140,100	(140,100)	-
Other grants	-	91,086	(91,086)	-
	<u>879,961</u>	<u>856,629</u>	<u>(674,486)</u>	<u>1,062,104</u>
<b>Total group restricted funds</b>	<u>8,277,403</u>	<u>856,629</u>	<u>(903,526)</u>	<u>8,230,506</u>

	<b>2022</b>	<b>Income</b>	<b>Expenditure</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted funds - Company</b>				
<b>Restricted capital funds</b>				
Capital projects	7,275,491	-	(220,514)	7,054,977
Donation from Arts Council	95,000	-	-	95,000
	<u>7,370,491</u>	<u>-</u>	<u>(220,514)</u>	<u>7,149,977</u>
<b>Restricted income funds</b>				
Development donation fund	879,961	182,143	-	1,062,104
Derry City & Strabane District Council	-	443,300	(443,300)	-
Arts Council for Northern Ireland	-	140,100	(140,100)	-
Sundry grants	-	33,167	(33,167)	-
	<u>879,961</u>	<u>798,710</u>	<u>(616,567)</u>	<u>1,062,104</u>
<b>Total company restricted funds</b>	<u>8,250,452</u>	<u>798,710</u>	<u>(837,081)</u>	<u>8,212,081</u>

### **Purpose of restricted funds**

Core grants received from Derry City & Strabane District Council and The Arts Council of Northern Ireland are annual operating grants contributing towards the operating costs of the theatre. These grants are fully utilised in the year. The National Lottery Community Fund also provided assistance during the year in respect of a grant to cover salaries.

Capital project fund grants are the original capital funding from donors The Millennium Commission, The Arts Council of Northern Ireland, Derry City Council, DSD and Tara Consultants, towards the building costs of The Millennium Forum. This funding is reduced annually by the related depreciation charge on the assets of the company.

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2023

continued

The development donation fund is a donation added to ticket costs to be used for improvements, development of shows, enhancement expenditure and to finance future refurbishment projects.

Other grants received during the year were from Arts & Business, Derry City and Strabane District Council, The Arts Council of Northern Ireland, Tourism NI and Children In Need contribute towards

- 1) The cost of theatrical performances produced by the Millennium Forum, including Interact Youth Arts Festival and Education Programme productions and
- 2) Sundry income / capital projects.

### 23. Unrestricted funds - Group

	2022	Income	Expenditure	Actuarial pension gain	2023
	£	£	£	£	£
<b>Total unrestricted funds</b>	<b>(1,107,516)</b>	<b>3,985,981</b>	<b>(4,078,381)</b>	<b>1,211,000</b>	<b>11,084</b>

### Unrestricted funds - Company

	2022	Income	Expenditure	Actuarial pension surplus	2023
	£	£	£	£	£
<b>Total unrestricted funds</b>	<b>(721,018)</b>	<b>554,953</b>	<b>(645,794)</b>	<b>1,211,000</b>	<b>399,141</b>

### Purposes of unrestricted funds

Unrestricted funds are funds that are utilised at the discretion of the trustees in furtherance of the objectives of the charitable group/company. Included in company unrestricted funds is gift aid from the subsidiary company, M Forum Trading Limited and rental income. Included in group unrestricted income is all income and costs from the subsidiary trading companies, M Forum Trading Limited and Millennium Forum Productions Limited.

# **DERRY THEATRE TRUST**

## **Notes to Financial Statements for the year ended 31 March 2023**

..... continued

### **24. Company limited by guarantee**

The charitable company is limited by guarantee not having a share capital.

Every member of the charitable company undertakes to contribute to the assets/liabilities of the charitable company in the event of the same being wound up while he/she is a member, or within one year after he/she ceases to be a member, for payments of the debts and liabilities of the charitable company contracted before he/she ceases to be a member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories amongst themselves, such amount as maybe required not exceeding one pound.

### **25. Analysis of changes in net debt**

Group	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	<u>1,902,777</u>	<u>551,299</u>	<u>2,454,076</u>

Company	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	<u>855,456</u>	<u>64,811</u>	<u>920,267</u>

### **26. Related party transactions**

Derry City & Strabane District Council nominate councillors, Shauna Cusack, Patricia Logue, Sean Carr, Sean Fleming and Niree McMorris to the board of trustees. The Council provided funding during the year of £460,441 (2022 - £446,750).

Transactions with the chief executive officer, David McLaughlin, during the year, amounted to £18,402 in respect of pantomime royalties and mileage (2022 - £9,655).

Transactions with Martin Bradley, trustee and chairman, during the year amounted to £3,000 (2022 - £3,000) in respect of mileage & subsistence expenses.

Room rental income received during the year, from Foyle School of Speech and Drama, an organisation operated by trustee, Sandra Biddle, amounted to £9,370 (2022 - £4,874). Martin Mullan is a director of Grove Theatre. Room rental income received during the year was £5,175 (2022 - £933).

# DERRY THEATRE TRUST

## Notes to Financial Statements for the year ended 31 March 2023

..... continued

### 27. Analysis of net assets between funds for the group / company

	Unrestricted funds £	Restricted funds £	Total 2023 £
<b>Consolidated fund balances at 31 March 2023</b>			
Fixed assets	169,011	7,137,983	7,306,994
Net current assets	(222,927)	1,092,523	869,596
Pension asset	65,000	-	65,000
	<u>11,084</u>	<u>8,230,506</u>	<u>8,241,590</u>
	Unrestricted funds £	Restricted funds £	Total 2022 £
<b>Consolidated fund balances at 31 March 2022</b>			
Fixed assets	188,279	7,367,023	7,555,302
Net current assets	(306,795)	910,380	603,585
Pension liability	(989,000)	-	(989,000)
	<u>(1,107,516)</u>	<u>8,277,403</u>	<u>7,169,887</u>
	Unrestricted funds £	Restricted funds £	Total 2023 £
<b>Company fund balances at 31 March 2023</b>			
Fixed assets	169,011	7,119,558	7,288,569
Net current assets	165,130	1,092,523	1,257,653
Pension asset	65,000	-	65,000
	<u>399,141</u>	<u>8,212,081</u>	<u>8,611,222</u>
	Unrestricted funds £	Restricted funds £	Total 2022 £
<b>Company fund balances at 31 March 2022</b>			
Fixed assets	188,279	7,340,072	7,528,351
Net current assets	79,703	910,380	990,083
Pension liability	(989,000)	-	(989,000)
	<u>(721,018)</u>	<u>8,250,452</u>	<u>7,529,434</u>