

**BLACKPOOL GRAND THEATRE
(ARTS & ENTERTAINMENTS) LIMITED**

GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR

THE YEAR ENDED MARCH 31 2021

**BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31 2021**

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**BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
CHAIR'S FOREWORD
FOR THE YEAR ENDED MARCH 31 2021**

When the theatre first opened back in 1894, it remained a constant throughout its various manifestations, right up until 1972. At this point there was a period of closure, and it did not reopen again until 1977, albeit as a bingo hall. It was not until the Friends of the Grand Theatre bought, and reopened it, that it became to be the kind of theatre we now know and love.

Who would ever have believed therefore, that 2020 would become the second major period of closure in our history due to, in this instance, Covid -19. Nor would we have believed that as we closed on March 17, 2020, we would be closed for so long – for the whole of the financial year and through into 2021. But that is the reality, in common with the majority of theatres and artistic venues throughout Britain.

Regretfully we had to reduce the size of our team, I have however, been amazed and proud of this reduced theatre team, under the guidance and leadership of our very capable Chief Executive Ruth Eastwood, as they responded to the crisis by creating an online digital platform, screening both performances and workshops for all, and maintaining our creative learning programme , a key element of our work in the community.

As we work now to reopen the theatre in a Covid safe way I would like to thank my fellow trustees for their support and good counsel; the staff and management team who have been a constant even on reduced hours; and all those who have held faith with us and continue to do so as we gradually open up.

We thank especially Arts Council England for Cultural Recovery Funds, the government for its Furlough Scheme, Blackpool Council and other funders that have helped us through this difficult time.

We need everyone's support more than ever as we rebuild our audiences and theatre communities and look forward to reopening in 2021.

Anthony P Stone LALAM – Chair

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED MARCH 31 2021

DIRECTORS & TRUSTEES

A P Stone (Chair)
A Depledge (Vice Chair)
P Akroyd
S C Bonser
L Campbell
S Crocker
G B Mascord
D W Parry (resigned 23/11/2020)
A Royle
S M K Walker
P Welsh

SENIOR MANAGEMENT TEAM

Ruth Eastwood
Mark Preston
Colin Johnston
Andrew Howard
Celine Wyatt

Chief Executive
Finance & Business Manager
Venue Development Manager
Marketing Manager
Creative Learning Manager

**REGISTERED OFFICE AND
PRINCIPAL PLACE OF BUSINESS**

The Grand Theatre
33 Church Street
Blackpool
Lancashire
FY1 1HT

AUDITORS AND ACCOUNTANTS

HGA Accountants & Financial Consultants
t/a Chittenden Horley
Chartered Accountants & Registered Auditors
456 Chester Road
Old Trafford
Manchester m16 9HD

BANKERS

Charities Aid Foundation CAF Bank
National Westminster Bank plc

**BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
TRUSTEES' AND DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31 2021**

The trustees present their annual report together with the financial statements of the group and the charity for the year ended March 31 2021, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

REPORTING FRAMEWORK

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS102) (effective 1 January 2019), referred to as the Charities SORP (FRS 102) (second edition – October 2019).

OBJECTIVES AND ACTIVITIES

Charitable objects

The charitable objectives are:

- (1) To promote, maintain, improve, assist and advance public education, appreciation and understanding of the arts including the arts of design, drama, mime, dance, singing and music and to formulate, prepare and establish schemes therefor
- (2) To support the charitable work of Blackpool Grand Theatre (Trust) Limited.

Activities

The Grand Theatre (A&E) Ltd fulfilled its charitable purposes to promote, maintain, improve, assist and advance public education, appreciation and understanding of the arts in the following ways:

- Through presenting a programme of workshops and performances online through #athomewith you
- By delivering our creative learning programme to children, their families, and schools
- And supporting the work of the Blackpool Grand Theatre Trust through the provision of leadership and administration support services.

Public Benefit

The Grand Theatre continues to create public benefit by offering artistic, educational and heritage opportunities to enjoy, participate and learn through a virtual theatre platform. It is our mission to inspire a life-long love of the theatre.

Working in partnership is central to our success in creating public benefit. We work in partnership with schools, social justice specialists, the care system, local authorities and private businesses to ensure we reach as wide a public as possible with our offer. This also enables us to help other organisations, which share our values, to achieve their planned outcomes by sharing our skills and methods to become more effective together.

With an all-year-round programme, in 'normal' years The Grand contributes to the economic life of Blackpool, particularly the night-time economy, and our economic impact, calculated using the Shellard Formula, is £8m a year. Because of Covid-19 we have had to adapt our way of working, using more digital and social outlets to reach existing and new audiences and to continue to create public benefit.

**BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
TRUSTEES' AND DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31 2021**

ACHIEVEMENTS AND PERFORMANCE

Looking back over the year there was nothing that made it anything like normal business because of Covid – 19. As long as we were unable to trade, our cash flow moved us close to collapse making us unable to transition to business viability and sustainability from 1 July without additional support. Prior to the pandemic, we regularly turned over £3million, earned 91% through ticket sales, had healthy reserves and numerous commissions to provide creative learning services both locally and nationally. Covid-19 triggered a year of intense learning, creativity and innovation, coupled with devastating cuts to protect the Theatre and prepare it to return to viable trading as soon as possible. 19 people out of with just 15 staff keeping the operation going.

The Theatre was successful in obtaining funds from the Arts Council England - Cultural Recovery Fund Round 1. Through this grant, we were able to cut our overheads, put the building to sleep, while maintaining its fabric and the business itself. In this way we were able to keep customers engaged, shows on sale - having moved some of them 4 times due to uncertainties of reopening- and in this way, we maintained as much income as possible in our bank, minimising the need to refund.

We found new and different ways of fulfilling our mission to 'inspire a life-long love of theatre' by moving into production online and streaming our services.

Lifting spirits and promoting well-being has been a key element to get us through lock-down and so we developed #athomewithyou, a digital platform for filmed content, with online masterclasses, creative activities and artistic presentations to keep our audiences and supporters engaged. The usage data evidenced an appetite for online engagement with the theatre from a wide-ranging demographic, reaching far beyond our normal catchment. Our online presence delivered 59 workshops, classes and events and with 13 aimed at children in particular, reaching 7,326 participants and helping us to meet our existing funding obligations.

As the health context changed, we adapted the venue and prepared for socially-distanced, covid-secure re-opening for Christmas 2020. We experienced pent up demand for live performance when we put our planned Christmas pantomime on sale. This was a calculated risk yet, by November, we were looking forward to a potential surplus of £150,000. However, this abruptly stopped as the second Covid -19 spike hit and again closed the theatre, forcing us to issue refunds. Then, speedily we adapted Pantomonium! for online sale, we sold more than 1700 family tickets earning £38,000. It has been seen by approximately 5,000 people from all around the world. The skills we developed in converting this show to film and digital distribution can now support ongoing, income-generating streaming opportunities to complement live performance.

We negotiated new, flexible working contracts and pay reductions for the remaining team and invested in cross-skilling to create a one-team approach, where we all able to turn our hands to anything the business requires.

Towards the end of the year, we received the news that we had been successful in gaining a second Cultural Recovery Fund grant from Round 2. It is with the aid of these vital funds that we began to prepare for relaunch in September 2021.

**BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
TRUSTEES' AND DIRECTORS' ANNUAL REPORT
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FINANCIAL REVIEW

Overview

The group had a surplus on unrestricted general funds, after transfers, for the year of £204,058 (Charity £204,058) compared with a deficit in the previous year of £70,901 (Charity £70,877). This is in part due to the additional funding secured during the year to meet the challenges of the pandemic, along with a successful insurance claim for business interruption and the prompt actions taken to control and reduce costs. We have benefitted from HMRC job retention scheme (c£388,000), as well as ACE emergency funding (c£193,000), Esmeé Fairbairn support (c£33,000), and the Cultural Recovery Fund Round 1 (CRF).

Of the CRF1 monies awarded of £483,666k, £157,000 remained unspent at the year end and formed part of the closing restricted funds. We allocated this as £122,000 for equipment, £25,000 for marketing and £10,000 for audience development. All of which is expenditure to enable a successful relaunch and reopening of the theatre in 2021. At the date of approving these accounts all the monies have been spent.

Trading subsidiaries

The Charity has three wholly owned subsidiaries: Blackpool Grand Theatre Catering Company Ltd (Catering), Showseats Ltd. and Grand Theatre Productions Ltd (BGP). Showseats Ltd continued to be dormant as well as Blackpool Grand Productions Ltd which was formed to as a production company for in house productions. It did not produce any plays in 20/21 (19/20 one play).

Although Catering was unable to trade during the year it benefitted from the successful insurance claim for business interruption and made a pre-tax profit of £13,685 (2020 - £33,324) which it has Gift Aided to the charity, under a deed of covenant.

Risk management

The Trustees maintain and review the charity's risk register regularly. The risk management strategy comprises:

- An annual review of the risks the charity may face.
- The establishments of systems and procedures to mitigate those risks identified in the plan;
- Preparation of bi-monthly management accounts reviewed at bi-monthly finance sub-committee and trustee's meetings;
- And the implementation of procedures designed to minimise any potential impact on the charity, should these risks materialise.

The primary risk the trustees are currently addressing is the re-positioning of the charity's business in the local marketplace, reflecting the change in the theatre landscape.

Principal funding sources

The Grand Theatre has two, principal, funders: Arts Council England through the National Portfolio, emergency funding and CRF1 funding; and Blackpool Council through a Service Level Agreement.

Investment policy and review

The trustees, having regard to the liquidity requirements of the charity and its reserves policy, have operated a policy of keeping available funds in an interest-bearing deposit account and seek to achieve a rate on deposit which matches or exceeds inflation as measured by the retail prices index.

Reserves

Free reserves

Reserves are needed to bridge the gap between spending and receiving of resources; to sustain the charity over the next twelve months, and to cover emergency repairs and other expenditure. The trustees consider that the ideal level of free reserves (unrestricted funds not invested in fixed assets or otherwise designated) at the year-end would be between £200,000 and £300,000, equivalent to three months running costs, including relaunch costs.

Free reserves at the year-end were £370,019. We expect that given the ongoing challenges caused by the pandemic that we will have to call on the reserves in the next two years to meet operating income shortfalls and thus the free reserves will reduce to the target level.

Designated funds

The trustees have established the following designated funds:

Programme reserve This was originally to provide support for innovative and exceptional productions, which may not otherwise be financially viable, but now represents the commitment needed from the reserves for programming in 21/22 and beyond with a target of £20,000 being added when funds permit.

Learning Fund To support future development in education in the arts in schools and the local community. In 2016/17 the Trustees allocated the fees from workshops to this fund.

Advertising Fund To support future online advertising programmes. The Trustees have decided to allocate the income from online banner advertising to this fund.

**BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
TRUSTEES' AND DIRECTORS' ANNUAL REPORT
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Going concern

Having reviewed these financial statements the board are comfortable that they are correctly prepared under the going concern basis for the following reasons.

Strong Reserves

The charity has a healthy unrestricted reserve balance (helped by the Cultural Recovery fund) as well as restricted and designated funds to be utilised over the next few years by the creative learning department continuing the Charity's work with local schools and other local groups.

Return to operations

The theatre opened to patrons again at the beginning of September 2021 after a relaunch which involved brochures being sent to all households in the local area, a media and a poster campaign and other measures.

The campaign was received well, and virtually all the productions since reopening have exceeded the targets that had been set as well as secondary spend (programmes, bar etc) being at a good level.

Forecasts

The Senior Management Team (SMT) have produced forecasts to the end of March 2023 showing that the charity is still in a positive reserves position both under normal expectations as well as under less favourable conditions.

The board have been reassured by these forecasts as well as the resilience the SMT has shown since the pandemic hit and the charities flexible "one team" approach.

The forecasts naturally make a number of assumptions the main ones being that the Theatre will be able to open and that Arts Council funding will continue.

The board consider that both of these are appropriate assumptions (indeed the current Arts Council funding has been extended until March 2023 and the charity is in positive discussions about funding after this).

A more pessimistic forecast showed a considerable reduction in ticket income which the forecast has shown the charity can withstand following some minor corrective action.

Market generally

Theatres in general are reporting good attendances since reopening as well as good levels of secondary spend. The forecasts were based on a reasonable assumption which if these levels continue will see the forecasts exceeded.

In the general economy there are obviously a number of strong headwinds that could have a negative effect on the financial viability of the Theatre and this has been considered by the board and they are comfortable that the revised lower forecast shows a reasonable estimation of the effect of these headwinds and that the outcome under this basis is showing a good reserves position. Both the SMT and the Board regularly review both the outcome of the current and future productions as well as the financial forecasts. Should any corrective action be needed the board have confidence that this will be taken

Conclusion

After considering the above points the Board consider that it is appropriate to prepare the accounts under the going concern basis.

FUTURE PLANS

We relaunched in September 2021.

There are several projects in train for the improvement of the building and how it works in relation to Covid – 19. These include improving ventilation of the auditorium; better box office facilities in a nearby shop will again afford improved circulation for customers and staff. An IT review has taken place and we will be better connected for both theatre and homeworking. Covid risk assessments have been done and improved working practices, including hand sanitisers potential and one- way systems have been devised. All steps have been taken with a view to improve the customer journey, experience, and safety.

We are all looking forward to welcoming people back to the theatre after such a long time away. After the ghastly time everyone has endured this is the time for feeling positive about the future. Our programme is already boasting over 50 new productions and we will be bringing back our successful home grown Around the World in 80s Days which was so well received first time round and we are thrilled too to stage our family Panto Snow White and the Seven Dwarfs later in the year.

**BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
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STRUCTURE GOVERNANCE AND MANAGEMENT

Governing document

The charity is a company limited by guarantee governed by its memorandum and articles of association dated June 8, 1993, as amended by special resolutions dated February 18, 2016. It is a registered charity with the Charity Commission.

Members of the company

The maximum number of members is currently set at forty, but the Board may from time to time register an increase or decrease in the number. There are four classes of member in addition to a President or Vice President (if appointed):

- The subscribers to the memorandum, who are members for their lifetime.
- If appointed, a president and vice presidents for the duration of their office.
- Any individual or organisation admitted to membership on application to the Board
- Persons serving as current directors of the charity, who become members on being appointed as directors if not already members.

Appointment of trustees/directors

Nominated trustees/directors

Blackpool Council has the right to nominate two trustees. The Friends of the Grand have the right to nominate one trustee. The other trustee Directors are appointed through open advertisement.

Appointed trustees/directors

Up to 15 persons appointed through a scheme of recruitment established by the Board, through an appointments panel consisting of the Chair and two other persons independent of the Board.

Co-opted trustees/directors

The Board may co-opt up to two persons to serve as directors/trustees for a period not exceeding four years, and they may renew the appointment for a further period not exceeding four years.

A nominating body has the power to appoint a deputy, but appointed and co-opted trustees/directors cannot appoint an alternate to act on their behalf.

Trustee induction and training

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, the content of the Memorandum and Articles of Association, the committee and decision-making process, the business plan and recent financial performance of the charity. During the induction day, they meet key staff and other trustees.

Trustees are encouraged to attend appropriate external training events where these will facilitate the understanding of their role. All trustees will have the opportunity to attend an external "refresher" on an annual basis.

Organisation

The Board administers the charity and meets every two months. The Board delegates the day to day management of the charity, to the Chief Executive, Ruth Eastwood, and the other members of the senior management team as set out on page 2. The extent of the delegated authority has been formally agreed by the Board.

The Board has established a finance sub-committee to carry out financial monitoring, and it reports to the full Board.

Co-operation with other organisations/charities

In accordance with its objectives, the charity works closely with Blackpool Grand Theatre Trust Ltd (the Trust) the charity from which it rents the theatre under a formal lease. The charity also provides management services to the Trust at cost.

Pay and remuneration for senior staff

The pay levels of the senior staff are recommended to the Board by the Finance Sub-Committee. These are set through a benchmarking process that looks at similar, industry-specific roles in regional theatre, additionally taking into account general salary levels in the Blackpool area. Salaries are reviewed annually and, unless circumstances prevent it, an inflationary rise may be applied in line with RPI. Any other increases to senior salaries will only be considered in the light of additional or special responsibilities added to their current roles.

Related parties

None of the trustees receives any remuneration or other benefits for their services. The Board requires any Trustee or senior manager to declare any interests in contracts etc., and, any relationships with production companies, contracted actors, performers or exhibitors.

Details of transactions with the Trust and Catering are given in the notes to the accounts.

**BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
TRUSTEES' AND DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31 2021**

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also directors of Blackpool Grand Theatre (Arts & Entertainments) Limited for the purposes of company law) are responsible for preparing the Trustees' Annual 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 (FRS 102) (second edition – October 2019);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE TO AUDITORS

We, the directors of the 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 of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

SMALL COMPANY PROVISIONS AND APPROVAL

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the Board of Trustees and signed on its behalf by:

A P Stone

A P Stone – Director

Date: 18/11/21

**INDEPENDENT AUDITORS REPORT
TO THE MEMBERS AND TRUSTEES OF BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
FOR THE YEAR ENDED MARCH 31 2021**

Opinion

We have audited the financial statements of Blackpool Grand Theatre (Arts & Entertainments) Ltd (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended March 31 2021 which comprise the Group and parent Charity Statements of Financial Activities, The Group and Parent Charity Balance Sheets and the group and Parent Charity Statement of cash flows, and notes to the financial statements, including 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 [date], 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 and the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (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 group's or parent charitable 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 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

We have nothing to report in this regard.

Opinions 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 directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report and the]⁷ directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to [prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

**INDEPENDENT AUDITORS REPORT
TO THE MEMBERS AND TRUSTEES OF BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
FOR THE YEAR ENDED MARCH 31 2021**

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, set out in the Directors' and Trustees' Annual Report, the trustees (who are also the directors of the parent 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 groups 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 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below. Our approach to identifying and assessing the risks in respect of irregularities and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognize non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with the directors and other management, and from our commercial knowledge and experience of the computer manufacturing and supply sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, the Charities Act 2011, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statement to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- Understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing the financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to the actual and potential litigation claims; and
- reviewing correspondence with HMRC, and relevant regulators.

No instances of material non-compliance were identified.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

**INDEPENDENT AUDITORS REPORT
TO THE MEMBERS AND TRUSTEES OF BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
FOR THE YEAR ENDED MARCH 31 2021**

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

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 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Smith

Peter Smith BA FCA DChA – Senior Statutory Auditor

For and on behalf of:
HGA Accountants & Financial Consultants t/a Chittenden Horley
Chartered Accountants and Statutory Auditors
456 Chester Road
Old Trafford
Manchester M16 9HD

Date: 19/11/21



HGA Accountants & Financial Consultants Ltd t/a Chittenden Horley is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
GROUP STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account)
FOR THE YEAR ENDED MARCH 31 2021

		Unrestricted				
	Notes	General	Designated	Restricted	Total	Total
		Funds	Funds	Funds	2021	2020
		£	£	£	£	£
INCOME						
Incoming resources from generated funds:						
Donations	2	870,875	-	488,966	1,359,841	273,715
Charitable activities	3	222,293	10,000	54,100	286,393	2,671,547
Other trading activities	4	12,085	-	-	12,085	258,232
Investment income - bank interest		2,763	-	-	2,763	8,427
Other income - insurance claim		85,162	-	-	85,162	-
TOTAL INCOMING RESOURCES		<u>1,193,178</u>	<u>10,000</u>	<u>543,066</u>	<u>1,746,244</u>	<u>3,211,921</u>
EXPENDITURE						
Costs of raising funds	6	66,467	-	-	66,467	213,626
Expenditure on charitable activities	7	919,874	5,750	377,670	1,303,294	2,908,073
TOTAL EXPENDITURE		<u>986,341</u>	<u>5,750</u>	<u>377,670</u>	<u>1,369,761</u>	<u>3,121,699</u>
NET INCOME/(EXPENDITURE)						
BEFORE TRANSFERS	10	206,837	4,250	165,396	376,483	90,222
Transfers between funds	16	<u>(2,779)</u>	<u>(4,088)</u>	<u>6,867</u>	<u>-</u>	<u>-</u>
NET INCOME/(EXPENDITURE)		204,058	162	172,263	376,483	90,222
Theatre Tax Credit	5	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,032</u>
NET INCOME/(EXPENDITURE)						
AFTER TAXATION - NET MOVEMENT IN FUNDS		204,058	162	172,263	376,483	102,254
TOTAL FUNDS:						
BROUGHT FORWARD	16	<u>166,249</u>	<u>118,625</u>	<u>214,034</u>	<u>498,908</u>	<u>396,654</u>
CARRIED FORWARD	16	<u>370,307</u>	<u>118,787</u>	<u>386,297</u>	<u>875,391</u>	<u>498,908</u>

The notes on pages 17 to 31 form part of these financial statements.

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
CHARITY STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account)
FOR THE YEAR ENDED MARCH 31 2021

	Notes	Unrestricted			Total 2021 £	Total 2020 £
		General	Designated	Restricted		
		Funds £	Funds £	Funds £		
Incoming resources from generated funds:						
Donations	2	884,561	-	488,966	1,373,527	307,139
Charitable activities	3	222,293	10,000	54,100	286,393	2,907,923
Other trading activities	4	19,698	-	-	19,698	55,047
Investment income - bank interest		2,743	-	-	2,743	8,308
Other income - insurance claim		34,412	-	-	34,412	-
TOTAL INCOME		<u>1,163,707</u>	<u>10,000</u>	<u>543,066</u>	1,716,773	<u>3,278,417</u>
EXPENDITURE						
Costs of raising funds	6	36,996	-	-	36,996	43,732
Expenditure on charitable activities	7	919,874	5,750	377,670	1,303,294	3,132,417
TOTAL EXPENDITURE		<u>956,870</u>	<u>5,750</u>	<u>377,670</u>	1,340,290	<u>3,176,149</u>
NET INCOME/(EXPENDITURE)						
BEFORE TRANSFERS		206,837	4,250	165,396	376,483	102,268
Transfers between funds	16	(2,779)	(4,088)	6,867	-	-
NET MOVEMENT IN FUNDS		204,058	162	172,263	376,483	102,268
TOTAL FUNDS:						
BROUGHT FORWARD	16	<u>166,818</u>	<u>118,625</u>	<u>214,034</u>	499,477	<u>397,209</u>
CARRIED FORWARD	16	<u>370,876</u>	<u>118,787</u>	<u>386,297</u>	875,960	<u>499,477</u>

The notes on pages 17 to 31 form part of these financial statements.

**BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
GROUP BALANCE SHEET
AS AT MARCH 31 2021**

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible Assets	11		<u>656</u>		<u>1,313</u>
			656		1,313
CURRENT ASSETS					
Stock	13	1,610		7,466	
Debtors	14	268,757		349,014	
Cash at Bank and in Hand		<u>1,188,207</u>		<u>1,077,063</u>	
		1,458,574		1,433,543	
CREDITORS					
Amounts falling due in one year	15		<u>583,839</u>	<u>935,948</u>	
NET CURRENT ASSETS			<u>874,735</u>		<u>497,595</u>
TOTAL NET ASSETS			<u>875,391</u>		<u>498,908</u>
FUNDS					
<i>Unrestricted charitable funds</i>					
General fund	16	370,876		166,818	
Designated fund	16	<u>118,787</u>		<u>118,625</u>	
			489,663		285,443
<i>Restricted charitable funds</i>	16		<u>386,297</u>		<u>214,034</u>
Total charitable funds			875,960		499,477
<i>Non charitable trading subsidiaries</i>	16		<u>(569)</u>		<u>(569)</u>
TOTAL FUNDS			<u>875,391</u>		<u>498,908</u>

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

The notes on pages 17 to 31 form part of these financial statements.

Approved by the Board of Directors and authorised for issue on: 18/11/21

A P Stone

A P STONE - DIRECTOR

Company registration number: 02825229

**BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
CHARITY BALANCE SHEET
AS AT MARCH 31 2021**

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible Assets	11		656		1,313
Investments	12		<u>201</u>		<u>201</u>
			857		1,514
CURRENT ASSETS					
Stock	13	1,250		1,250	
Debtors	14	280,238		451,020	
Cash at Bank and in Hand		<u>1,160,516</u>		<u>973,081</u>	
		1,442,004		1,425,351	
CREDITORS					
Amounts falling due in one year	15		<u>566,901</u>	<u>927,388</u>	
NET CURRENT ASSETS			<u>875,103</u>		<u>497,963</u>
TOTAL NET ASSETS			<u><u>875,960</u></u>		<u><u>499,477</u></u>
FUNDS					
Unrestricted					
General fund	16	370,876		166,818	
Designated funds	16	<u>118,787</u>		<u>118,625</u>	
			489,663		285,443
Restricted	16		<u>386,297</u>		<u>214,034</u>
TOTAL FUNDS			<u><u>875,960</u></u>		<u><u>499,477</u></u>

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

The notes on pages 17 to 31 form part of these financial statements.

Approved by the Board of Directors and authorised for issue on: 19/11/21

A P Stone

A P STONE - DIRECTOR

Company registration number: 02825229

**BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
GROUP AND CHARITY STATEMENTS OF CASH FLOWS
AS AT MARCH 31 2021**

	notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Cash used in operating activities	18	108,381	(67,040)	184,692	(108,305)
Cashflows from investing activities					
Interest and dividends		2,763	8,427	2,743	8,308
Purchase of tangible fixed assets		-	(1,970)	-	(1,970)
Proceeds of sale of fixed assets		-	-	-	-
Payments to acquire investments		-	-	-	-
Cash provided by/(used in) investing activities		2,763	6,457	2,743	6,338
Cashflows from financing activities					
Investment in shares adjustment		-	1	-	-
Cash from financing activities		-	1	-	-
Increase/(decrease) in cash & cash equivalents in the year		111,144	(60,582)	187,435	(101,967)
Cash and cash equivalents brought forward		1,077,063	1,137,645	973,081	1,075,048
Cash and cash equivalents carried forward		1,188,207	1,077,063	1,160,516	973,081
Cash and cash equivalents consist of:					
Cash at bank and in hand		1,188,207	1,077,063	1,160,516	973,081
Current asset investments		-	-	-	-
		1,188,207	1,077,063	1,160,516	973,081

The notes on pages 17 to 31 form part of these financial statements.

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared: under the historic cost convention; in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective January 1 2019 (second edition – October 2019); FRS102; and the Companies Act 2006. The charity constitutes a public benefit entity as defined by FRS102.

The accounts are prepared in £ sterling, which is the functional currency.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Going Concern

The trustees have set out their review of going concern in their trustees' report and have concluded that the accounts are properly prepared on the going concern basis.

Income recognition

All income is recognised once the charity has an entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. The following applies to particular types of income:

Grants, whether of a capital or revenue nature, are recognised when the charity has an entitlement to the funds, any performance conditions have been met, and it is probable that the income will be received.

Donations from individuals and other bodies (not being of the nature of a grant) are recognised when receivable.

Legacies are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the case of gifts that are neither cash nor financial assets tradable on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Earned income is measured at the fair value of the consideration received or receivable for services and goods supplied, net of discounts and VAT.

Investment income Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Deferred income

Income is only deferred and included in creditors when:

- The income relates to a future accounting period
- A sales invoice has been raised ahead of the work being carried out, and there is no contractual entitlement to the income until the work has been done
- Not all the terms and conditions of the grant have been met, including the incurring of expenditure and the grant conditions are such that the unspent grant must be refunded

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds including those associated with fundraising activities, managing investments and commercial trading by the subsidiary company.

Charitable activities costs of undertaking the work of the charity.

The charity is registered for VAT and is able to recover some of the input tax charged as it relates to VATable supplies. Costs are initially recorded gross of VAT, and the recoverable amount is retrospectively apportioned across the expenditure categories

Allocation of support costs

Support costs are those functions which assist the work of the charity either by supporting the delivery of charitable activities or by supporting the generation of funds. They include salaries, marketing cost, establishment costs, office costs, staff training and recruitment, finance charge, accountancy, audit and professional costs and depreciation.

The basis of allocations is set out in note 8.

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

1 ACCOUNTING POLICIES (continued)

Tangible fixed assets

Individual fixed assets costing more than £1,000 (previously - £500) are capitalised at cost and are depreciated over their estimated useful lives on a straight-line basis as set out below.

Depreciation rates

All assets are depreciated on a straight-line basis at the following rates:

Furniture and equipment 20% straight line

Investments

Investments in subsidiaries are valued at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Debtors

Trade and other debtors are recognised at the settlement amount due, and prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

Financial instruments

The charity has only basic financial instruments which are initially recorded at cost, and with the exception of investments (as set out above) subsequently measured at their settlement value.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiaries, Blackpool Grand Theatre Catering Company Limited, Blackpool Grand Theatre Productions Ltd and Showseats Ltd, on a line by line basis and inter group balances are eliminated on consolidation.

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
2 DONATIONS						
Revenue grants: & other funding						
Arts Council England	213,856	-	213,856	209,992	-	209,992
ACE emergency funding	193,000	-	193,000	-	-	-
ACE Cultural Recovery Fund (round 1)	-	483,666	483,666	-	-	-
Esmée Fairbairn Foundation	33,300	-	33,300	-	-	-
Grant CJRS	387,891	-	387,891	22,909	-	22,909
DWP worker support	-	-	-	7,623	-	7,623
	<u>828,047</u>	<u>483,666</u>	<u>1,311,713</u>	<u>240,524</u>	<u>-</u>	<u>240,524</u>
Donations & legacies						
General donations	42,828	-	42,828	24,291	-	24,291
Donations for Creative Learning	-	-	-	-	-	-
Friends of the Grand	-	5,300	5,300	-	8,900	8,900
	<u>42,828</u>	<u>5,300</u>	<u>48,128</u>	<u>24,291</u>	<u>8,900</u>	<u>33,191</u>
Total for group	870,875	488,966	1,359,841	264,815	8,900	273,715
Donation from BGT Catering Co.	13,686	-	13,686	33,424	-	33,424
Total for company	<u>884,561</u>	<u>488,966</u>	<u>1,373,527</u>	<u>298,239</u>	<u>8,900</u>	<u>307,139</u>

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

2021			2020		
Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
£	£	£	£	£	£

3 INCOME FROM CHARITABLE ACTIVITIES

Group

Theatre and performance	167,932	-	167,932	2,524,705	-	2,524,705
Creative Learning	8,142	54,100	62,242	64,166	241,246	305,412
Management charges from BGT Trust	56,219	-	56,219	77,806	-	77,806
Less Income in A&E from BGP	-	-	-	(236,376)	-	(236,376)
Total per Group	232,293	54,100	286,393	2,430,301	241,246	2,671,547

Charity

Theatre and performance

Box office & commission income	42,110	-	42,110	2,194,986	-	2,194,986
SLA Blackpool Borough Council	124,178	-	124,178	64,000	-	64,000
Production income	-	-	-	236,376	-	236,376
Theatre/studio hire	-	-	-	20,770	-	20,770
Other income	1,644	-	1,644	4,469	-	4,469
Ancillary trading	-	-	-	4,104	-	4,104
	167,932	-	167,932	2,524,705	-	2,524,705

Creative Learning

SLA Blackpool Borough Council	-	-	-	-	-	-
Fees & earned income	8,142	-	8,142	64,166	-	64,166

Grants:

Esmée Fairbairn Foundation	-	-	-	-	199,800	199,800
The Goldsmiths' Company	-	34,960	34,960	-	-	-
The Ragdoll Foundation	-	20,000	20,000	-	-	-
Community Foundation	-	5,000	5,000	-	-	-
Blackpool BC - Betterstart	-	(11,605)	(11,605)	-	13,446	13,446
University of Central Lancashire	-	-	-	-	5,000	5,000
Peter Jackson Charitable Trust	-	2,400	2,400	-	3,000	3,000
Royal Shakespeare Company	-	3,345	3,345	-	15,000	15,000
Vera Wolstencroft Trust	-	-	-	-	5,000	5,000
	8,142	54,100	62,242	64,166	241,246	305,412

Blackpool Grand Theatre Trust Ltd

Management charge	56,219	-	56,219	77,806	-	77,806
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Total per Charity

	232,293	54,100	286,393	2,666,677	241,246	2,907,923
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Unrestricted income attributable to designated funds:

		2021	2020
	Designated fund	£	£
Recharges to Producers - advertising income	Advertising fund	10,000	13,750
		10,000	13,750

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
4 INCOME FROM OTHER TRADING ACTIVITIES						
Sponsorship	12,000	-	12,000	12,000	-	12,000
Management charges	7,613	-	7,613	36,107	-	36,107
Room hire	-	-	-	5,141	-	5,141
Merchandise	85	-	85	1,799	-	1,799
Per charity	19,698	-	19,698	55,047	-	55,047
Less eliminated on consolidation:						
Management charge to Catering Ltd	(7,613)	-	(7,613)	(36,107)	-	(36,107)
Room hire charges to Catering Ltd	-	-	-	(1,425)	-	(1,425)
Add Subsidiarity income Catering Ltd	-	-	-	240,717	-	240,717
Per group	12,085	-	12,085	258,232	-	258,232

5 TRADING SUBSIDIARIES

	Catering Company		Grand Productions		Showseats Ltd	
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
Profit and loss account						
Turnover	-	240,717	-	226,608	-	-
Cost of sales	5,964	145,848	-	236,376	-	-
Gross profit	(5,964)	94,869	-	(9,768)	-	-
Administration Expenses	31,120	61,565	-	2,264	-	13
Operating profit/loss	(37,084)	33,304	-	(12,032)	-	(13)
Other income	50,750	-	-	-	-	-
Interest receivable	20	119	-	-	-	-
Net profit/loss before taxation	13,686	33,423	-	(12,032)	-	(13)
Theatre Tax Credit	-	-	-	12,032	-	-
Net profit after taxation	13,686	33,423	-	-	-	(13)
Summary change in equity						
Reserves b/f	655	655	-	-	(1,123)	(1,110)
Profit for the year	13,686	33,423	-	-	-	(13)
Donation under gift aid to A&E	(13,686)	(33,423)	-	-	-	-
Reserves c/f	655	655	-	-	(1,123)	(1,123)
Summary balance sheet						
Total assets	54,705	113,314	-	12,032	-	-
Total liabilities (excluding capital grant)	(53,950)	(112,559)	-	(12,031)	(1,123)	(1,123)
Net funds	755	755	-	1	(1,123)	(1,123)

Blackpool Grand Theatre Catering Company Ltd

The subsidiary operates the bar and catering services within the theatre. On consolidation the management charge of £7,613 (2020 - £37,9392) is eliminated, and charges for room hire from A&E of nil (2020 - 1,425) are also, both against A&E income.

Blackpool Grand Productions Ltd (BGP)

In February 2019, the charity formed Blackpool Grand Productions Ltd as a vehicle for in house productions, and is eligible to claim theatre tax relief. Its first accounts covered the period 8/2/19 to 31/03/20. There were no productions in 20/21.

BGP's income derives from charity. On consolidation income from the charity of £226,608 was eliminated against theatre production costs and the direct costs of £236,376 were eliminated against production subcontractor fees in the charity, in the 20/21 accounts.

Showseats Ltd

This company has not traded in the last two years.

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

6 COSTS OF RAISING FUNDS	2021	2020
	£	£
Direct costs	-	4,194
Direct salaries	13,227	13,298
Support costs	<u>23,769</u>	<u>26,240</u>
Per charity	36,996	43,732
Costs re Blackpool Grand Theatre Catering Company	37,084	207,413
Costs re Showseats Ltd	-	13
Less management charge	(7,613)	(36,107)
Less room hire charges	-	<u>(1,425)</u>
Total fundraising in Group	<u>66,467</u>	<u>213,626</u>

All costs in both years are charged to unrestricted funds, and there are no allocations to designated funds.

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
7 CHARITABLE EXPENDITURE						
Theatre and performance	782,121	331,966	1,114,087	2,815,252	8,900	2,824,152
Creative Learning	95,547	45,704	141,251	152,267	80,316	232,583
Supporting the BGT Trust	47,956	-	47,956	75,682	-	75,682
per Charity	<u>925,624</u>	<u>377,670</u>	<u>1,303,294</u>	<u>3,043,201</u>	<u>89,216</u>	<u>3,132,417</u>
Less subcon costs from BGP	-	-	-	(226,608)	-	(226,608)
BGP support costs	-	-	-	2,264	-	2,264
Per Group	<u>925,624</u>	<u>377,670</u>	<u>1,303,294</u>	<u>2,818,857</u>	<u>89,216</u>	<u>2,908,073</u>

Included in unrestricted costs above are amounts charged to designated funds as follows:

	2021	2020
	£	£
Charged to Creative Learning Fund	-	25,879
Charged to advertising fund	<u>5,750</u>	<u>9,000</u>
	<u>5,750</u>	<u>34,879</u>

Expenditure in the charity is analysed as follows:

	Direct costs	Direct salaries	Support costs	Total
2020/21	£	£	£	£
Theatre and performance	63,323	554,922	495,842	1,114,087
Creative learning	26,333	79,162	35,756	141,251
Supporting the Blackpool Grand Theatre Trust	-	47,571	385	47,956
	<u>89,656</u>	<u>681,655</u>	<u>531,983</u>	<u>1,303,294</u>
2019/20				
Theatre and performance	1,443,706	457,824	922,622	2,824,152
Creative learning	109,505	59,073	64,005	232,583
Supporting the Blackpool Grand Theatre Trust	-	75,294	388	75,682
	<u>1,553,211</u>	<u>592,191</u>	<u>987,015</u>	<u>3,132,417</u>

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

8 SUPPORT & GOVERNANCE COSTS

	Costs of					Total
	Marketing	raising	Theatre &	Creative	Support of	2021
	£	funds	Performance	Learning	Trust	£
	£	£	£	£	£	£
2020/21						
Salaries	99,299	20,272	50,151	12,538	-	182,260
Marketing costs	107,648	-	-	-	-	107,648
Establishment costs	-	2,095	97,432	5,238	-	104,765
Cleaners wages	-	614	28,563	1,536	-	30,713
Office costs	-	676	31,455	1,691	-	33,822
Staff training and recruitment	-	112	5,212	280	-	5,604
Finance charges	-	-	757	-	-	757
Accountancy & professional fees	-	-	7,661	-	-	7,661
Depreciation	-	-	624	33	-	657
	206,947	23,769	221,855	21,316	-	473,887
Allocation of marketing support costs	(206,947)	-	196,600	10,347	-	-
	-	23,769	418,455	31,663	-	473,887
Governance costs						
Salaries	-	-	6,931	385	385	7,701
Audit, accountancy & professional fees	-	-	70,456	3,708	-	74,164
	-	-	77,387	4,093	385	81,865
	-	23,769	495,842	35,756	385	555,752
2019/20						
Support costs						
Support salaries costs	107,579	20,300	77,646	19,412	-	224,937
Marketing costs	450,389	-	-	-	-	450,389
Establishment costs	-	3,551	165,104	8,877	-	177,532
Cleaners wages	-	1,040	48,376	2,601	-	52,017
Office costs	-	807	37,544	2,020	-	40,371
Staff training and recruitment	-	542	25,217	1,356	-	27,115
Finance charges	-	-	3,150	-	-	3,150
Accountancy & professional fees	-	-	919	-	-	919
Depreciation	-	-	4,068	214	-	4,282
	557,968	26,240	362,024	34,480	-	980,712
Allocation of marketing support costs	(557,968)	-	530,070	27,898	-	-
	-	26,240	892,094	62,378	-	980,712
Governance costs						
Salaries	-	-	6,977	387	388	7,752
Audit, accountancy & professional fees	-	-	23,551	1,240	-	24,791
	-	-	30,528	1,627	388	32,543
	-	26,240	922,622	64,005	388	1,013,255

Support costs are allocated on the following basis:

Area	basis	comment
Marketing costs	estimate of usage	net of any direct attribution
Support salaries	estimate of time spent	
Establishment costs & cleaners wages	Space	
Other costs	estimate of usage	

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

9 STAFF INFORMATION	2021	2020
	£	£
a Employees		
Salaries and wages	838,116	861,227
Pension costs	32,240	36,058
Employer's NI contributions	45,199	66,503
	<u>915,555</u>	<u>963,788</u>
Staff costs for the Trading subsidiary included above	<u>-</u>	<u>73,593</u>
Employees earning more than £60,000pa (excluding employer's nic and pension contributions):	number	number
£60,000 - £70,000	<u>1</u>	<u>1</u>

b Key Management

The key management of the charity comprise the trustees and senior staff (as set out on page1) and the key management of the group are the same people plus catering manager. The trustees do not receive any remuneration for their services

The total employee benefits of other key management were as follows:

	£	£
Charity	<u>352,106</u>	<u>327,425</u>
Group	<u>374,055</u>	<u>349,374</u>

c Average staff numbers

The average number of employees was as follows:-

	2021	2021	2020	2020
	Average	Average FTE	Average	average FTE
	number	number	number	number
Employees	<u>50</u>	<u>38</u>	<u>45</u>	<u>34</u>
	<u>50</u>	<u>38</u>	<u>45</u>	<u>34</u>

10 NET INCOME/(EXPENDITURE) BEFORE TRANSFERS (for the Group)

This is stated after charging/(crediting):	£	£
Auditors remuneration:-		
Audit fees	5,125	5,125
Accountancy fees	3,530	3,530
Operating lease rentals	37,388	37,388
Depreciation of fixed assets	657	4,282
Trustees remuneration	-	-
Trustees expenses	<u>-</u>	<u>-</u>

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

11 TANGIBLE FIXED ASSETS

GROUP AND COMPANY	Equipment	Total
Cost or valuation	£	£
As at April 1 2020	20,096	20,096
Additions	-	-
As at 31 March 2021	<u>20,096</u>	<u>20,096</u>
 Depreciation		
As at April 1 2020	18,783	18,783
Charge for the year	657	657
As at 31 March 2021	<u>19,440</u>	<u>19,440</u>
 Net Book Value		
As at 31 March 2021	<u><u>656</u></u>	<u><u>656</u></u>
As at 31 March 2020	<u><u>1,313</u></u>	<u><u>1,313</u></u>

12 FIXED ASSET INVESTMENTS

The charity has owns 100% of the issued share capital of the following companies:

Name	Company no.	2021		2020		Activity
		£	£	£	£	
Blackpool Grand Theatre Catering Company Ltd	1618100	100	<i>100</i>	<i>100</i>	<i>100</i>	Bar operations
Blackpool Grand Productions Ltd	11814366	1	<i>1</i>	<i>1</i>	<i>1</i>	Theatre productions
Showseats Ltd	8260979	100	<i>100</i>	<i>100</i>	<i>100</i>	Dormant
		<u>201</u>	<u><i>201</i></u>	<u><i>201</i></u>	<u><i>201</i></u>	

The Charity owns 100% of the issued share capital of all the above companies being ordinary shares.

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

	GROUP 2021 £	GROUP 2020 £	COMPANY 2021 £	COMPANY 2020 £
13 STOCKS				
Stock of goods for resale	<u>1,610</u>	<u>7,466</u>	<u>1,250</u>	<u>1,250</u>
14 DEBTORS				
Trade debtors	58,412	143,979	58,096	143,035
Grants and income receivable	200,554	178,186	175,179	178,186
Blackpool Grand Theatre Catering Company Ltd	-	-	37,011	104,943
Blackpool Grand Productions Ltd	-	-	-	11,081
Showseats Ltd	-	-	1,123	1,123
Other debtors	107	398	107	398
Theatre Tax Credit	-	12,032	-	-
Prepayments	9,684	14,419	8,722	12,254
	<u>268,757</u>	<u>349,014</u>	<u>280,238</u>	<u>451,020</u>
15 CREDITORS falling due within one year				
Trade creditors	30,078	73,359	29,889	70,450
Other taxes and social security	13,152	28,530	13,152	28,537
Accruals	69,680	97,978	52,974	92,320
Other creditors	5,804	20,095	5,760	20,095
Income and grants in advance	459,342	708,397	459,342	708,397
Blackpool Grand Productions Ltd	-	-	1	-
Funds in trust	5,783	7,589	5,783	7,589
	<u>583,839</u>	<u>935,948</u>	<u>566,901</u>	<u>927,388</u>

All income and grants in advance brought forward are released in the subsequent year.

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

16 STATEMENT OF FUNDS

Group	2019/20				b/f and c/f 31/03/2020 01/04/2020	2020/21			
	01/04/2019	Income	Expenditure	Transfers		Income	Expenditure	Transfers	TTR & 31/03/2021
	£	£	£	£	£	£	£	£	£
Unrestricted funds:									
General fund	237,151	2,948,025	(2,997,604)	(21,323)	166,249	(986,341)	(2,779)	370,307	
Designated Funds (see details below)	104,429	13,750	(34,879)	35,325	118,625	(5,750)	(4,088)	118,787	
	341,580	2,961,775	(3,032,483)	14,002	284,874	(992,091)	(6,867)	489,094	
Restricted Funds:									
As below	55,074	250,146	(89,216)	(1,970)	214,034	(377,670)	6,867	386,297	
Total Funds	396,654	3,211,921	(3,121,699)	12,032	498,908	(1,369,761)	-	875,391	

Funds analysed between charitable and non-charitable:

Charity unrestricted and designated	2021	2020
	£	£
Charity restricted	489,663	285,443
	386,297	214,034
Trading subsidiaries	875,960	499,477
	(569)	(569)
	875,391	498,908

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

16 STATEMENT OF FUNDS (continued)

COMPANY	2019/20			2020/21					
	01/04/2019 £	Income £	Expenditure £	Transfers £	b/f and c/f 31/03/2020 01/04/2020 £	Income £	Expenditure £	TTR & Transfers £	31/03/2021 £
Unrestricted funds:									
General fund	237,706	3,014,521	(3,052,054)	(33,355)	166,818	1,153,707	(955,870)	(2,779)	361,876
Designated funds:									
Programme reserve	70,000	-	-	-	70,000	-	-	20,000	90,000
Creative learning fund	33,429	-	(25,879)	35,325	42,875	-	-	(24,088)	18,787
Advertising fund	1,000	13,750	(9,000)	-	5,750	10,000	(5,750)	-	10,000
	104,429	13,750	(34,879)	35,325	118,625	10,000	(5,750)	(4,088)	118,787
Total unrestricted funds	342,135	3,028,271	(3,086,933)	1,970	295,443	1,163,707	(961,620)	(6,867)	480,563
Restricted Funds:									
Covid funding									
ACE Cultural Recovery Fund (round 1)	-	-	-	-	-	483,666	(327,666)	-	156,000
Blackpool Council - audience development	-	-	-	-	-	10,000	-	-	10,000
	-	-	-	-	-	493,666	(327,666)	-	166,000
Theatre									
Friends of the grand	-	8,900	(8,900)	-	-	5,300	(5,300)	-	-
	-	8,900	(8,900)	-	-	5,300	(5,300)	-	-
Creative learning									
Vera Wolstencroft Trust	5,561	5,000	(318)	(1,970)	8,273	-	(171)	-	8,102
Grand Young Theatre	2,578	3,000	(5,578)	-	-	2,400	(2,400)	-	-
RSC - children	8,403	-	(5,939)	-	2,464	3,345	(3,942)	-	1,867
RSC - adults	-	15,000	(13,781)	-	1,219	-	(1,219)	-	-
Esmée Fairbairn Foundation	-	199,800	(7,460)	-	192,340	-	(19,972)	-	172,368
The Goldsmiths' Company	-	-	-	-	-	34,960	-	-	34,960
Betterstart	-	13,446	(8,708)	-	4,738	(11,605)	-	6,867	-
Creative Learning Fund	38,532	5,000	(38,532)	-	5,000	25,000	(18,000)	-	12,000
	55,074	241,246	(80,316)	(1,970)	214,034	54,100	(45,704)	6,867	229,297
Total restricted funds	55,074	250,146	(89,216)	(1,970)	214,034	553,066	(378,670)	6,867	395,297
Total Funds	397,209	3,278,417	(3,176,149)	-	499,477	1,716,773	(1,340,290)	-	875,960

The Creative Learning Fund comprises:-

University of Central Lancashire - Future U
The Ragdoll Foundation

	2021 £	2020 £
	-	5,000
	12,000	-
	12,000	5,000

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

16 STATEMENT OF FUNDS (continued)

General	Unrestricted				Restricted
	Programme Reserve	Creative Learning fund	GDPR	Advertising fund	Ambition for Excellence Fund
Adjustment to fund balance	24,088	-	(24,088)	-	-
	24,088	-	(24,088)	-	-

Transfers

Designated funds

Programme reserve

To provide support for future seasons programming.

Creative learning fund

Funds set aside to support the delivery of the creative learning programme.

Advertising fund

Funds designated to support online advertising.

Restricted funds

ACE CRF1 has been allocated as follows:

Equipment	122,000
Marketing	25,000
Development	10,000

Creative Learning towards future project costs in 2021/22.

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Company fund balances at March 31 2021

are represented by:-

Fixed assets
 Net current assets

	Unrestricted funds		Restricted	Total
	General	Designated	Funds	
	£	£	£	£
Fixed assets	857	-	-	857
Net current assets	370,019	118,787	386,297	875,103
	370,876	118,787	386,297	875,960

Company fund balances at March 31 2020

are represented by:-

Fixed assets
 Net current assets

	Unrestricted funds		Restricted	Total
	General	Designated	Funds	
	£	£	£	£
Fixed assets	1,514	-	-	1,514
Net current assets	165,304	118,625	214,034	497,963
	166,818	118,625	214,034	499,477

Free Reserves:

	2021	2016
	£	£
Net current assets	<u>370,019</u>	<u>165,304</u>

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

18 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	Group	Group	Charity	Charity
	2021	2020	2021	2020
	£	£	£	£
Net income/(expenditure)	376,483	<i>102,254</i>	376,483	<i>102,268</i>
Add back depreciation	657	<i>4,282</i>	657	<i>4,282</i>
Deduct interest income shown in investing activities	(2,763)	<i>(8,427)</i>	(2,743)	<i>(8,308)</i>
Decrease/(increase) in stock	5,856	<i>1,275</i>	-	-
Decrease/(increase) in debtors	80,257	<i>(179,119)</i>	170,782	<i>(222,616)</i>
Increase/(decrease) in creditors	(352,109)	<i>12,695</i>	(360,487)	<i>16,069</i>
Net cash generated from/(used in) operating activities	<u>108,381</u>	<u>(67,040)</u>	<u>184,692</u>	<u>(108,305)</u>

Changes in Net Debt

The Group and the Charity had no net debt in either year

19 CONSTITUTION

The Company is limited by guarantee and does not have a share capital. In the event of the Company being wound up the members are committed to contributing £1 each.

20 TAXATION

The company is a registered charity and is entitled to claim annual exemption from UK corporation tax under sections 466 to 477 of the Corporation Tax Act 2010.

21 CAPITAL COMMITMENTS

The company had no capital commitments at the year end (2016 - none).

22 LEASE COMMITMENTS

Operating leases

The charity and group had the following future minimum commitments under non cancellable operating leases:

	Group	Group	Charity	Charity
	2021	2020	2021	2020
	£	£	£	£
Not later than one year	40,721	<i>40,721</i>	40,721	<i>40,721</i>
Later than one year and not later than five years	160,000	<i>161,442</i>	160,000	<i>161,442</i>
Greater than 5 years	320,000	<i>360,000</i>	320,000	<i>360,000</i>
	<u>520,721</u>	<u>562,163</u>	<u>520,721</u>	<u>562,163</u>

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2021

23 RELATED PARTY TRANSACTIONS

Blackpool Grand Theatre Catering Company Ltd (Catering)

Catering is the wholly owned trading subsidiary of the charity (A&E) and operates the bars and sells ice-creams and other catering services in the theatre. During the year the charity charged Catering for the following services:

	2021	2020
	£	£
Staff costs	62,446	62,446
Room hire charges	-	1,425
Management fee	7,613	36,107
	<u>70,059</u>	<u>99,978</u>
Sales to A&E by Catering	<u>1,704</u>	<u>1,704</u>
Profits Donated under gift aid by Catering to A&E	<u>13,686</u>	<u>33,424</u>
Balance outstanding at the year end	<u>37,011</u>	<u>104,943</u>

Blackpool Grand Productions Ltd (BGP)

BGP is the wholly owned trading subsidiary of A&E and was formed as a production company for in house productions. During the year it earned £NIL (2020 - £206,608) from A&E for production services and was charged £NIL (2020 - £236,376) by A&E for subcontracts production services and costs.

Balances outstanding at the year end	<u>(1)</u>	<u>11,081</u>
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Blackpool Grand Theatre Trust Ltd (The Trust)

A&E works closely with the Trust, a registered charity, which owns the theatre and to who is pays rent and provides management services.

During the year A&E had the following transactions with the Trust:

Rent and hire charges to A&E	<u>40,000</u>	<u>36,667</u>
Management charges to the Trust	<u>56,219</u>	<u>77,806</u>
Amount due (to)/from the Trust at the year end	<u>(121)</u>	<u>5,354</u>

A formal lease was entered into between the Trust and A&E in respect of the theatre in January 2021. This provides for a basic rent of £40,000 pa with an additional payment based on 1% of the unrestricted surplus, after free reserves reach £250,000 and after providing for a £20,000 allocation to the programme reserve. Only the minimum annual payments are shown in note 23.

Friends of the Grand Theatre (The Friends)

A&E works closely with the Friends in order to secure the viability of the theatre. The Friends provide a pool of volunteer ushers for the theatre. Although the Friends financial support is chiefly directed towards the Trust, they have made donations in each of the last two years to support the work of A&E of £5,300 per year.

A&E support the Friends with their fundraising activities and sell tickets on their behalf for fundraising events. At the year end it held the following amounts:

	<u>-</u>	<u>1,806</u>
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There are no other related party transactions that are required to be disclosed.

The Charity is controlled by its directors.