

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

GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR

THE YEAR ENDED MARCH 31 2022

**BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31 2022**

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**BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
CHAIR'S FOREWORD
FOR THE YEAR ENDED MARCH 31 2022**

Following extensive preparations, including staff recruitment and training, the Theatre reopened in September 2021. We were delighted to bring back, in an enhanced production, our own "Around The World In 80's Days" which was well received throughout its month-long run in October.

Our team evolved and we moved our box office on a temporary basis to the shop on Church Street facilitated by the Grand Theatre Trust. This provided a better environment for social distancing and allowed the sales and marketing roles to work more closely together. The management, led by Ruth Eastwood, successfully negotiated both CRF2 and CRF3 grants: these allowed some vital infrastructure improvements to be carried out as well as enhancing our internal IT systems.

Pantomime this year was a huge success, thanks to our producer, Martin Dodd, and the support of the hugely talented Steve Royle.

During the year, Chief Executive Ruth Eastwood gave the Trustees almost six months' notice of her intention to retire. The theatre has benefited greatly from her time with the organisation. She skilfully steered the theatre through the immense challenges of the COVID pandemic, developing and implementing the many changes in the organisation that the public health emergency required. Ruth leaves with our thanks and our best wishes.

Following a comprehensive recruitment exercise, we were delighted to welcome Adam Knight as the new Chief Executive. With the help of his previous employer, Adam was able to begin some work with the theatre before he joined us on a full-time basis on 3 May 2022. This allowed for the preparation of the vitally important National Portfolio Organisation application, submitted to Arts Council England in line with their strict timetable.

By the end of the period covered by these Accounts, our theatre was back to full operation and with a great new team in place. With CRF3 secured, the finances were strong for our reopening year.

I wish to pay tribute to all the theatre's employees for their hard work, flexibility and understanding of the many challenges of the past two years. They helped ensure the reopening of the theatre. Our many supporters, partners and stakeholders recognised the challenges we faced and have been an immense help in these difficult times. I wish also to note the magnificent support I received from the board of Trustees. The greatest thanks must go to our audiences, who have so clearly shown how much the Grand Theatre means to the communities we serve.

Anthony P Stone LALAM – Chair

**BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED MARCH 31 2022**

DIRECTORS & TRUSTEES

A P Stone (Chair)
A Depledge (Vice Chair)
P Akroyd
M Amos (appointed 10/09/22)
A Armit (appointed 04/06/22)
S C Bonser (resigned 15/12/21)
L Campbell (resigned 15/12/21)
S Crocker (resigned 15/12/21)
G B Mascord
K Metcalfe (appointed 10/09/22)
J L Pope (appointed 09/09/22)
A Royle
M Scragg (appointed 10/09/22)
S M K Walker
P Welsh

SENIOR MANAGEMENT TEAM

Ruth Eastwood Chief Executive (until 17/03/22)
Adam Knight Chief Executive (from 03/05/22)
Mark Preston Finance & Business Manager
Colin Johnston Deputy CEO
Andrew Howard Head of Audiences, Marketing & Sales
Celine Wyatt Creative Learning Manager
Shaun Gorringe Operations 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
The Wesley Centre
Royce Road, Hulme
Manchester M15 5BP

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 2022**

The trustees present their annual report together with the financial statements of the group and the charity for the year ended March 31 2022, 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 performances, workshops and engagement activities across a range of art forms on the Grand Theatre's main stage, in the Studio and via digital platforms.
- By delivering our creative learning programme to children, young people, families in schools and education settings, community locations and within the Grand Theatre.
- And supporting the work of the Blackpool Grand Theatre Trust through the provision of leadership and administration support services.

Public Benefit

Blackpool Grand Theatre continues to create public benefit by offering artistic, educational and heritage opportunities to enjoy, participate and learn through shared experiences, both in person and via virtual platforms. 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 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. This wide range of mutually beneficial outputs includes funding contributions, commissions, in kind support and advocacy.

The Grand's active partnerships include: Blackpool English Hub, Blackpool Social Services, Blackpool School Improvement Board, Blackpool Research and Evaluation Team, Better Start, Head Start, Boing Boing, Children's Theatre Partnership, The Royal Shakespeare Company (RSC), Northern Ballet Theatre, Lightpool Festival, Blackpool and The Fylde College, The Boathouse Youth, The Magic Club, Blackpool and Fylde Carers Centre, At The Grange, The Royal Opera House, The Knotted Project, Arts Lancashire, Lancashire County Council Culture, Blackpool Library Service, Grundy Art Gallery, and representation on the steering groups of LeftCoast, Blackpool Town Centre BID, and The Blackpool, Fylde and Wyre Local Cultural Education Partnership (LCEP).

The Grand contributes to the economic life of Blackpool, particularly the night-time economy, and the reopening of the Theatre in September 2021 has been warmly welcomed within the town. In 'normal' years our economic impact, calculated using the Shellard Formula, is £8m a year. Whilst it is acknowledged that general economic recovery from the Covid-19 pandemic will take some time, Blackpool Grand Theatre has continued to adapt to new ways of working, using a blend of digital and social outlets to re-engage audiences and to encourage their return to live performances whilst continuing to create and deliver public benefit.

Through the positive and powerful impact of our transformational work in the community, amplified by productive partnership working, Blackpool Grand Theatre continues to enhance our reputation throughout Blackpool and beyond as a nationally recognised local resource.

**BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
TRUSTEES' AND DIRECTORS' ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31 2022**

Making a difference in Blackpool's community

Despite the multiple challenges of social distancing and blended working during the 2020-21 year, The Grand has continued to deliver work with over 120 vulnerable children and young people, some experiencing life in care, some living with complex and chaotic circumstances, some young carers, others living in Blackpool's communities with social and economic challenges: all with vivid imaginations, energy and creativity.

During this period The Grand has worked with over 1,000 school children through our 'Tales Retold' project and our RSC Associate Schools Project. 40 teachers and 12 artists have been trained in 'Story-Led Resilience'; 8 colleagues from partner theatres have been involved in our digital coaching project; 30 local adults have been involved in our RSC Shakespeare Nation project and the Better Start Story Gathering project. 6 student volunteers have been trained and can coach in 'Story-Led Resilient Practice.'

At the end of March, our ground-breaking Story Led Resilience programme took centre stage at the first International Resilience Conference held at the new Blackpool Winter Gardens Conference Centre. The Grand's Creative Learning team presented, alongside children and young people engaged in our programmes of work, to a diverse range of delegates drawn from as far afield as Brighton and Brazil, gaining international recognition for Blackpool Grand Theatre.

ACHIEVEMENTS AND PERFORMANCE

After an unprecedented 17 months of closure, Blackpool's Grand Theatre triumphantly re-opened in September 2021 with a season that included the West End production of Susan Hill's *The Woman In Black*, sell out performances from comedian Alan Carr and a revival of The Grand Theatre's self-produced musical *Around The World In 80s Days*, directed once again by Ian McFarlane.

During the 536 days of closure, The Grand's small and dedicated team fielded over 400,000 customer enquiries, supported visiting artists and producers in the rescheduling of hundreds of performances and adapted to the creative challenge of keeping audiences and participants engaged and connected to the Theatre's programme of work. The Grand is grateful to everyone who has supported the theatre throughout this difficult and challenging period, including members of the community, local businesses and suppliers for their generous support and understanding. We are grateful to an army of local MPs, Councillors, Friends, advocates and supporters for championing our cause and ensuring that the Theatre and town were kept in the forefront of the nation's minds.

Without the financial support of the Department for Digital, Culture, Media and Sport and Arts Council England through the Cultural Recovery Funds, Covid-19 Emergency Support Recovery Funds, and the extension of National Portfolio Organisation funding; the future of The Grand Theatre, in common with the majority of arts and cultural organisations up and down the land, would have been in doubt. In addition, we are grateful to Blackpool Council and to our key project funders the Esmée Fairbairn Foundation, The Ragdoll Foundation and The Goldsmith's Company Charity without whose flexibility, understanding and support, we would have faced significant challenges in continuing our invaluable work supporting some of the most vulnerable, socially- and economically-disadvantaged members of our community including children, young people and families in Blackpool.

Programme Highlights

Visiting productions in our reopening programme included the return of Ellen Kent's Opera International with popular productions of Bizet's *Carmen* and Puccini's *Madama Butterfly*; Bill Kenwright's production of *Catch Me If You Can* starring Patrick Duffy, Linda Purl and Gray O'Brien; John Lyons in *Father Brown: The Murderer In The Mirror*; and David Walliams' *Gangsta Granny* from Birmingham Stage Company. Comedy audiences perhaps represented a general demographic more comfortable in returning to the theatre in a post-Covid world, with a roster of stand-up acts bringing laughter and capacity crowds back to Matcham's auditorium that included: *Jonathan Pie*, *The (Steve) Royle Variety Performance*, *Frank Skinner*, *Tim Vine*, *Omid Djalili* and *Ed Byrne*. The season also included the welcome return of ballet with performances of *Romeo & Juliet*, *Swan Lake* and *The Nutcracker* warmly received by Blackpool audiences.

The standout success of the season was by far and away the return of Blackpool's number one pantomime with *Snow White & The Seven Dwarves*. Audiences flocked to see Steve Royle and Vicky Entwistle lead a full cast and company in what proved to be record-breaking numbers, proving the value of the shared, family experience, that cannot be created by anything other than live entertainment. Together with an extended Blackpool Illuminations season, and despite the emergence of the Omicron Covid variant, The Grand's pantomime presented once again in association with Martin Dodd's UK Productions, proved to be a beacon of hope bringing families together again for much needed festive family cheer.

Covid Support

During the year 1st April 2021 to 31st March 2022, Blackpool Grand Theatre was grateful for the financial support of the Department for Digital, Culture, Media and Sport and Arts Council England through the awarding of a £491,000 Cultural Recovery Fund grant and Emergency Response Support Funding of £469,720. These major grant awards enabled the business to support core staffing costs; overheads, utilities and insurance costs; operational costs including system, finance and admin costs; consultancy fees for architects, mechanical and electrical, research, ICT upgrades and implementation, as well as a review of The Grand's governance structure, leadership and team development training. Funding supported investment in Covid compliant equipment, capital improvements including enhanced auditorium air-handling, new telephone and entry control systems as well as adaptations to support flexible and remote working.

The Grand also invested funds into online and live programme delivery, from creative engagement activity to supporting pre-production costs for The Grand's in-house production of *Around The World in 80s Days*. A further £202,691 was designated to contribute to the rebuilding of the Theatre's free reserves.

**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 £125,353 (Charity £125,366) compared with a surplus in the previous year of £204,058 (Charity £204,058). This is in part due to the additional funding secured during the year to meet the challenges of the pandemic, and the prompt actions taken to control and reduce costs. We have benefitted from HMRC Coronavirus job retention scheme (£64,492), as well as ACE Emergency Resource Support Funding (£469,720), Esmée Fairbairn Foundation support (£28,000), Blackpool Council Covid Grant (£24,000) and the Cultural Recovery Fund (CRF) Round 2 (£491,000).

Trading subsidiaries

The Charity has three wholly owned subsidiaries: Blackpool Grand Theatre Catering Company Ltd (Catering), Showseats Ltd. and Blackpool Grand Productions Ltd (BGP). Showseats Ltd continued to be dormant. Blackpool Grand Productions Ltd, which was formed as a production company for in-house productions, produced a revival of *Around The World In 80s Days* during 2021-22.

Although Catering was only able to trade from September 2021 as the theatre was closed, it made a pre-tax profit of £19,186 (2021-22: £13,686) 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 risks identified in the plan;
- Preparation of bi-monthly management accounts reviewed at bi-monthly finance sub-committee and trustees' meetings;
- 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, the Emergency Resource Support Fund (ERSF) and CRF2 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 £300,000 and £325,000, equivalent to three months running costs.

Free reserves at the year-end were £469,559. We expect that, given the ongoing challenges caused by the combination of pandemic recovery, inflationary pressures and exponential increase in global utility prices, 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. It now represents the commitment needed from the reserves for programming in 2022/23 and beyond with a target of £20,000 being added per annum when funds permit.

Learning Fund To support future development in education in the arts in schools and the local community.

Advertising Fund To support future promotional activity.

EPOS and Inventory systems To purchase new equipment in 22/23

Office improvements To cover the costs of reconfiguring the office accommodation in 22/23

Invested in Fixed assets To represent the funds tied up in tangible fixed assets

**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 and Emergency Resource Support Funding) 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 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, with pantomime in particular having exceeded the target, as well as positive outturn on secondary spend (programmes, merchandise, bar income etc), despite the challenges presented by the emergence of the Omicron variant of Covid-19.

Forecasts

The Senior Management Team (SMT) has produced forecasts to the end of July 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 has been reassured by these forecasts as well as the resilience the SMT has shown since the pandemic hit and the Charity's flexible "one team" approach.

The forecasts naturally make a number of assumptions, the main ones being that the Theatre will continue to operate without restrictions on opening and that Arts Council England National Portfolio funding will be renewed for the 2023-2026 funding period.

The board consider that both of these are appropriate assumptions (indeed Arts Council England National Portfolio funding was extended until March 2023 as a transitional arrangement for all organisations within the National Portfolio, and the Charity is in positive discussions about funding after this).

A conservative approach has been taken to forecasting, reflecting inflationary pressures and the consequent impact on discretionary spend. Nevertheless the forecasts indicate the Charity is in a good position to approach the challenges ahead.

Market generally

Theatres in general are reporting positive attendances since reopening as well as good levels of secondary spend. Forecasts are 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. This has been considered by the board and they are comfortable that the conservative approach to forecasting shows a reasonable estimation of the effect of these headwinds and that the outcome under this basis continues to reflect a good reserves position.

Both the Senior Management Team and the Board regularly review both the outcome of current and future productions as well as financial forecasts. Should any corrective action be needed the board has confidence that this will be taken

Conclusion

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

FUTURE PLANS

In March 2022 we wished farewell to our departing Chief Executive, Ruth Eastwood, and welcomed new Chief Executive, Adam Knight, from 3rd May 2022.

For the new financial year, the successful working relationship with Martin Dodd and UK Productions was renewed, securing Blackpool's number one pantomime for a further three years. We look forward to a new season of work ahead under the new Chief Executive, which already includes a diverse array of productions, including the return of West End and Broadway musicals to the Grand Theatre stage.

The months ahead will see the launch of a new Volunteers scheme which will continue to support the Charity's activities whilst providing a broad range of opportunities, reflecting the diverse communities of Blackpool.

Our trailblazing work in Story Led Resilience™ continues with the reach of projects such as The Story Squad expanding to benefit more children, families and young people throughout Blackpool and beyond, including strengthening our ties with Blackpool Social Services through the delivery of our Illuminate project. The Grand has been commissioned by Children's Theatre Partnership to produce a package of education activity for the forthcoming UK national tour of *Unexpected Twist* and we look forward to strengthening our relationship with the Royal Shakespeare Company through the delivery of the *37 Plays* programme, working in partnership with Northern Broadsides, to encourage first time playwrights in a project that will reach across the Fylde Coast.

**BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
TRUSTEES' AND DIRECTORS' ANNUAL REPORT
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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 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
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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: 17/11/22

**INDEPENDENT AUDITORS REPORT
TO THE MEMBERS AND TRUSTEES OF BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
FOR THE YEAR ENDED MARCH 31 2022**

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 2022 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 March 31 2022 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 2022

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 2022**

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: 19/11/22



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 2022

| | Notes | Unrestricted | | | Total 2022 £ | Total 2021 £ |
|---|-------|-----------------------|--------------------------|--------------------------|--------------------|--------------------|
| | | General Funds £ | Designated Funds £ | Restricted Funds £ | | |
| INCOME | | | | | | |
| Incoming resources from generated funds: | | | | | | |
| Donations | 2 | 368,157 | - | 1,005,054 | 1,373,211 | 1,420,019 |
| Charitable activities | 3 | 1,910,464 | 5,611 | 46,500 | 1,962,575 | 226,215 |
| Other trading activities | 4 | 176,976 | - | - | 176,976 | 12,085 |
| Investment income - bank interest | | 1,740 | - | - | 1,740 | 2,763 |
| Other income - insurance claim | | - | - | - | - | 85,162 |
| TOTAL INCOMING RESOURCES | | <u>2,457,337</u> | <u>5,611</u> | <u>1,051,554</u> | 3,514,502 | <u>1,746,244</u> |
| EXPENDITURE | | | | | | |
| Costs of raising funds | 6 | 178,717 | - | - | 178,717 | 66,467 |
| Expenditure on charitable activities | 7 | 2,205,096 | 12,861 | 977,782 | 3,195,739 | 1,303,294 |
| TOTAL EXPENDITURE | | <u>2,383,813</u> | <u>12,861</u> | <u>977,782</u> | 3,374,456 | <u>1,369,761</u> |
| NET INCOME/(EXPENDITURE) | | | | | | |
| BEFORE TRANSFERS | 10 | 73,524 | (7,250) | 73,772 | 140,046 | 376,483 |
| Transfers between funds | 16 | 19,322 | 264,608 | (283,930) | - | - |
| NET INCOME/(EXPENDITURE) | | 92,846 | 257,358 | (210,158) | 140,046 | 376,483 |
| Theatre Tax Credit | 5 | 14,824 | - | - | 14,824 | - |
| NET INCOME/(EXPENDITURE) | | | | | | |
| AFTER TAXATION - NET MOVEMENT IN FUNDS | | 107,670 | 257,358 | (210,158) | 154,870 | 376,483 |
| TOTAL FUNDS: | | | | | | |
| BROUGHT FORWARD | 16 | <u>361,307</u> | <u>118,787</u> | <u>395,297</u> | 875,391 | <u>498,908</u> |
| CARRIED FORWARD | 16 | <u>468,977</u> | <u>376,145</u> | <u>185,139</u> | 1,030,261 | <u>875,391</u> |

The notes on pages 17 to 32 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 2022 £ | Total 2021 £ |
|---|-------|------------------|----------------|------------------|-------------------------|--------------------|
| | | General | Designated | Restricted | | |
| | | Funds £ | Funds £ | Funds £ | | |
| Incoming resources from generated funds: | | | | | | |
| Donations | 2 | 387,343 | - | 1,005,054 | 1,392,397 | 1,433,705 |
| Charitable activities | 3 | 2,148,704 | 5,611 | 46,500 | 2,200,815 | 226,215 |
| Other trading activities | 4 | 27,328 | - | - | 27,328 | 19,698 |
| Investment income - bank interest | | 1,739 | - | - | 1,739 | 2,743 |
| Other income - insurance claim | | - | - | - | - | 34,412 |
| TOTAL INCOME | | <u>2,565,114</u> | <u>5,611</u> | <u>1,051,554</u> | <u>3,622,279</u> | <u>1,716,773</u> |
| EXPENDITURE | | | | | | |
| Costs of raising funds | 6 | 48,241 | - | - | 48,241 | 36,996 |
| Expenditure on charitable activities | 7 | 2,428,512 | 12,861 | 977,782 | 3,419,155 | 1,303,294 |
| TOTAL EXPENDITURE | | <u>2,476,753</u> | <u>12,861</u> | <u>977,782</u> | <u>3,467,396</u> | <u>1,340,290</u> |
| NET INCOME/(EXPENDITURE) | | | | | | |
| BEFORE TRANSFERS | | 88,361 | (7,250) | 73,772 | 154,883 | 376,483 |
| Transfers between funds | 16 | <u>19,322</u> | <u>264,608</u> | <u>(283,930)</u> | - | - |
| NET MOVEMENT IN FUNDS | | 107,683 | 257,358 | (210,158) | 154,883 | 376,483 |
| TOTAL FUNDS: | | | | | | |
| BROUGHT FORWARD | 16 | <u>361,876</u> | <u>118,787</u> | <u>395,297</u> | <u>875,960</u> | <u>499,477</u> |
| CARRIED FORWARD | 16 | <u>469,559</u> | <u>376,145</u> | <u>185,139</u> | <u>1,030,843</u> | <u>875,960</u> |

The notes on pages 17 to 32 form part of these financial statements.

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
GROUP BALANCE SHEET
AS AT MARCH 31 2022

| | Notes | 2022 £ | 2022 £ | 2021 £ | 2021 £ |
|--|-------|------------------|------------------|------------------|----------------|
| FIXED ASSETS | | | | | |
| Tangible Assets | 11 | | <u>73,197</u> | | <u>656</u> |
| | | | 73,197 | | 656 |
| CURRENT ASSETS | | | | | |
| Stock | 13 | 9,111 | | 1,610 | |
| Debtors | 14 | 211,258 | | 268,757 | |
| Cash at Bank and in Hand | | <u>1,932,979</u> | | <u>1,188,207</u> | |
| | | 2,153,348 | | 1,458,574 | |
| CREDITORS | | | | | |
| Amounts falling due in one year | 15 | <u>1,196,284</u> | | <u>583,839</u> | |
| NET CURRENT ASSETS | | | <u>957,064</u> | | <u>874,735</u> |
| TOTAL NET ASSETS | | | <u>1,030,261</u> | | <u>875,391</u> |
| | | | | | |
| FUNDS | | | | | |
| <i>Unrestricted charitable funds</i> | | | | | |
| General fund | 16 | 469,559 | | 361,876 | |
| Designated fund | 16 | <u>376,145</u> | | <u>118,787</u> | |
| | | | 845,704 | | 480,663 |
| <i>Restricted charitable funds</i> | 16 | | <u>185,139</u> | | <u>395,297</u> |
| Total charitable funds | | | 1,030,843 | | 875,960 |
| <i>Non charitable trading subsidiaries</i> | 16 | | <u>(582)</u> | | <u>(569)</u> |
| TOTAL FUNDS | | | <u>1,030,261</u> | | <u>875,391</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 32 form part of these financial statements.

Approved by the Board of Directors and authorised for issue on: 17/11/22

A P Stone

A P STONE - DIRECTOR

Company registration number: 02825229

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
CHARITY BALANCE SHEET
AS AT MARCH 31 2022

| | Notes | 2022 £ | 2022 £ | 2021 £ | 2021 £ |
|---------------------------------|-------|------------------|------------------|------------------|----------------|
| FIXED ASSETS | | | | | |
| Tangible Assets | 11 | | 73,197 | | 656 |
| Investments | 12 | | <u>201</u> | | <u>201</u> |
| | | | 73,398 | | 857 |
| CURRENT ASSETS | | | | | |
| Stock | 13 | 1,250 | | 1,250 | |
| Debtors | 14 | 261,060 | | 280,238 | |
| Cash at Bank and in Hand | | <u>1,881,881</u> | | <u>1,160,516</u> | |
| | | 2,144,191 | | 1,442,004 | |
| CREDITORS | | | | | |
| Amounts falling due in one year | 15 | | <u>1,186,746</u> | <u>566,901</u> | |
| NET CURRENT ASSETS | | | <u>957,445</u> | <u>875,103</u> | |
| TOTAL NET ASSETS | | | <u>1,030,843</u> | <u>875,960</u> | |
| FUNDS | | | | | |
| Unrestricted | | | | | |
| General fund | 16 | 469,559 | | 361,876 | |
| Designated funds | 16 | <u>376,145</u> | | <u>118,787</u> | |
| | | | 845,704 | | 480,663 |
| Restricted | 16 | | <u>185,139</u> | | <u>395,297</u> |
| TOTAL FUNDS | | | <u>1,030,843</u> | <u>875,960</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 32 form part of these financial statements.

Approved by the Board of Directors and authorised for issue on: 17/11/22

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 2022

| | | Group 2022 | Group 2021 | Charity 2022 | Charity 2021 |
|---|-------|------------------|------------------|------------------|------------------|
| | notes | £ | £ | £ | £ |
| Cash used in operating activities | 18 | 828,506 | <i>108,381</i> | <i>805,100</i> | <i>184,692</i> |
| Cashflows from investing activities | | | | | |
| Interest and dividends | | 1,740 | 2,763 | 1,739 | 2,743 |
| Purchase of tangible fixed assets | | (85,474) | - | (85,474) | - |
| Cash provided by/(used in) investing activities | | (83,734) | 2,763 | (83,735) | 2,743 |
| Cashflows from financing activities | | | | | |
| Cash from financing activities | | - | - | - | - |
| Increase/(decrease) in cash & cash equivalents in the year | | 744,772 | <i>111,144</i> | 721,365 | <i>187,435</i> |
| Cash and cash equivalents brought forward | | 1,188,207 | <i>1,077,063</i> | 1,160,516 | <i>973,081</i> |
| Cash and cash equivalents carried forward | | 1,932,979 | <i>1,188,207</i> | 1,881,881 | <i>1,160,516</i> |
| Cash and cash equivalents consist of: | | | | | |
| Cash at bank and in hand | | 1,932,979 | <i>1,188,207</i> | 1,881,881 | <i>1,160,516</i> |
| Current asset investments | | | | | - |
| | | 1,932,979 | <i>1,188,207</i> | 1,881,881 | <i>1,160,516</i> |

The notes on pages 17 to 32 form part of these financial statements.

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2022

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 2022

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 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 2022

| | 2022 | | | 2021 | | |
|--|-----------------------|-------------------------|--------------------------------|-----------------------|-----------------------|--------------------------------|
| | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total |
| | £ | £ | £ | £ | £ | £ |
| 2 DONATIONS | | | | | | |
| Revenue grants: & other funding | | | | | | |
| Arts Council England | 213,856 | - | 213,856 | 213,856 | - | 213,856 |
| ACE emergency funding | - | - | - | 193,000 | - | 193,000 |
| ACE Cultural Recovery Fund 1 | - | - | - | - | 483,666 | 483,666 |
| ACE Cultural Recovery Fund 2 | - | 491,000 | 491,000 | - | - | - |
| ACE CRF - ERSF | - | 469,720 | 469,720 | - | - | - |
| Blackpool Council Covid grants | 24,000 | - | 24,000 | 50,178 | 10,000 | 60,178 |
| Esmée Fairbairn Foundation | 28,000 | - | 28,000 | 33,300 | - | 33,300 |
| Kickstart | - | 39,034 | 39,034 | - | - | - |
| Grant CJRS | 64,492 | - | 64,492 | 387,891 | - | 387,891 |
| DWP worker support | 7,204 | - | 7,204 | - | - | - |
| | <u>337,552</u> | <u>999,754</u> | <u>1,337,306</u> | <u>878,225</u> | <u>493,666</u> | <u>1,371,891</u> |
| Donations & legacies | | | | | | |
| General donations | 30,605 | - | 30,605 | 42,828 | - | 42,828 |
| Donations for Creative Learning | - | - | - | - | - | - |
| Friends of the Grand | - | 5,300 | 5,300 | - | 5,300 | 5,300 |
| | <u>30,605</u> | <u>5,300</u> | <u>35,905</u> | <u>42,828</u> | <u>5,300</u> | <u>48,128</u> |
| Total for group | 368,157 | 1,005,054 | 1,373,211 | 921,053 | 498,966 | 1,420,019 |
| Donation from BGT Catering Co. | 19,186 | - | 19,186 | 13,686 | - | 13,686 |
| Total for company | <u><u>387,343</u></u> | <u><u>1,005,054</u></u> | <u><u>1,392,397</u></u> | <u><u>934,739</u></u> | <u><u>498,966</u></u> | <u><u>1,433,705</u></u> |

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2022

| 2022 | | | 2021 | | |
|--------------|------------|-------|--------------|------------|-------|
| Unrestricted | Restricted | Total | Unrestricted | Restricted | Total |
| £ | £ | £ | £ | £ | £ |

3 INCOME FROM CHARITABLE ACTIVITIES

Group

| | | | | | | |
|-----------------------------------|------------------|---------------|------------------|----------------|---------------|----------------|
| Theatre and performance | 2,067,309 | - | 2,067,309 | 107,754 | - | 107,754 |
| Creative Learning | 20,440 | 46,500 | 66,940 | 8,142 | 54,100 | 62,242 |
| Management charges from BGT Trust | 66,566 | - | 66,566 | 56,219 | - | 56,219 |
| Less Income in A&E from BGP | (238,240) | - | (238,240) | - | - | - |
| Total per Group | 1,916,075 | 46,500 | 1,962,575 | 172,115 | 54,100 | 226,215 |

Charity

Theatre and performance

| | | | | | | |
|--------------------------------|------------------|----------|------------------|----------------|----------|----------------|
| Box office & commission income | 1,726,235 | - | 1,726,235 | 42,110 | - | 42,110 |
| SLA Blackpool Borough Council | 64,000 | - | 64,000 | 64,000 | - | 64,000 |
| Production income | 238,240 | - | 238,240 | - | - | - |
| Theatre/studio hire | 29,925 | - | 29,925 | - | - | - |
| Other income | 6,760 | - | 6,760 | 1,644 | - | 1,644 |
| Ancillary trading | 2,149 | - | 2,149 | - | - | - |
| | 2,067,309 | - | 2,067,309 | 107,754 | - | 107,754 |

Creative Learning

| | | | | | | |
|----------------------|--------|---|---------------|-------|---|--------------|
| Fees & earned income | 20,440 | - | 20,440 | 8,142 | - | 8,142 |
|----------------------|--------|---|---------------|-------|---|--------------|

Grants:

| | | | | | | |
|--|---------------|---------------|---------------|--------------|---------------|-----------------|
| The Goldsmiths' Company - Tales Retold | - | - | - | - | 34,960 | 34,960 |
| Channelled grant - Tales Retold | - | 22,000 | 22,000 | - | - | - |
| The Ragdoll Foundation | - | - | - | - | 20,000 | 20,000 |
| Community Foundation | - | - | - | - | 5,000 | 5,000 |
| Blackpool BC - Betterstart | - | - | - | - | (11,605) | (11,605) |
| University of Central Lancashire | - | 5,000 | 5,000 | - | - | - |
| Peter Jackson Charitable Trust | - | 2,500 | 2,500 | - | 2,400 | 2,400 |
| Royal Shakespeare Company | - | 17,000 | 17,000 | - | 3,345 | 3,345 |
| | 20,440 | 46,500 | 66,940 | 8,142 | 54,100 | 62,242 |

Blackpool Grand Theatre Trust Ltd

| | | | | | | |
|-------------------|--------|---|---------------|--------|---|---------------|
| Management charge | 66,566 | - | 66,566 | 56,219 | - | 56,219 |
|-------------------|--------|---|---------------|--------|---|---------------|

Total per Charity

| | | | | | | |
|--|------------------|---------------|------------------|----------------|---------------|----------------|
| | 2,154,315 | 46,500 | 2,200,815 | 172,115 | 54,100 | 226,215 |
|--|------------------|---------------|------------------|----------------|---------------|----------------|

Unrestricted income attributable to designated funds:

| | Designated fund | 2022 | 2021 |
|---|------------------|--------------|---------------|
| | | £ | £ |
| Recharges to Producers - advertising income | Advertising fund | 5,611 | 10,000 |
| | | 5,611 | 10,000 |

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2022

| | 2022 | | | 2021 | | |
|---|----------------|------------|----------------|---------------|------------|---------------|
| | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total |
| | £ | £ | £ | £ | £ | £ |
| 4 INCOME FROM OTHER TRADING ACTIVITIES | | | | | | |
| Sponsorship | - | - | - | 12,000 | - | 12,000 |
| Management charges | 26,444 | - | 26,444 | 7,613 | - | 7,613 |
| Room hire | 100 | - | 100 | - | - | - |
| Merchandise | 784 | - | 784 | 85 | - | 85 |
| Per charity | 27,328 | - | 27,328 | 19,698 | - | 19,698 |
| Less eliminated on consolidation: | | | | | | |
| Management charge to Catering Ltd | (26,444) | - | (26,444) | (7,613) | - | (7,613) |
| Room hire charges to Catering Ltd | (100) | - | (100) | - | - | - |
| Add Subsidiary income Catering Ltd | 176,192 | - | 176,192 | - | - | - |
| Per group | 176,976 | - | 176,976 | 12,085 | - | 12,085 |

5 TRADING SUBSIDIARIES

| | Catering Company | | Grand Productions | | Showseats Ltd | |
|---|------------------|----------|-------------------|----------|---------------|---------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ | £ | £ |
| Profit and loss account | | | | | | |
| Turnover | 176,192 | - | 224,411 | - | - | - |
| Cost of sales | 109,658 | 5,964 | 238,240 | - | - | - |
| Gross profit | 66,534 | (5,964) | (13,829) | - | - | - |
| Administration Expenses | 47,349 | 31,120 | 995 | - | 13 | - |
| Operating profit/loss | 19,185 | (37,084) | (14,824) | - | (13) | - |
| Other income | - | 50,750 | - | - | - | - |
| Interest receivable | 1 | 20 | - | - | - | - |
| Net profit/loss before taxation | 19,186 | 13,686 | (14,824) | - | (13) | - |
| Theatre Tax Credit | - | - | 14,824 | - | - | - |
| Net profit after taxation | 19,186 | 13,686 | - | - | (13) | - |
| Summary change in equity | | | | | | |
| Reserves b/f | 655 | 655 | 1 | 1 | (1,123) | (1,123) |
| Profit for the year | 19,186 | 13,686 | - | - | (13) | - |
| Donation under gift aid to A&E | (19,186) | (13,686) | - | - | - | - |
| Reserves c/f | 655 | 655 | 1 | 1 | (1,136) | (1,123) |
| Summary balance sheet | | | | | | |
| Total assets | 65,280 | 54,705 | 14,824 | 12,032 | - | - |
| Total liabilities (excluding capital grant) | (64,525) | (53,950) | (14,823) | (12,031) | (1,136) | (1,123) |
| Net funds | 755 | 755 | 1 | 1 | (1,136) | (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 £26,444 (2021 - £7,613) and charges for room hire from A&E of £100 (2021 - nil) are eliminated 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. There were no productions in 20/21 and one in 21/22.

BGP's income derives from charity. On consolidation income from the charity of £224,411 (2021 - nil) is eliminated against theatre production costs and the direct costs of £238,240 (2021 - nil) are eliminated against production subcontractor fees in the charity.

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 2022

| 6 COSTS OF RAISING FUNDS | 2022 | 2021 |
|---|-----------------------|----------------------|
| | £ | £ |
| Direct costs | 2,460 | - |
| Direct salaries | 13,715 | 13,227 |
| Support costs | <u>32,066</u> | <u>23,769</u> |
| Per charity | 48,241 | 36,996 |
| Costs re Blackpool Grand Theatre Catering Company | 157,007 | 37,084 |
| Costs re Showseats Ltd | 13 | - |
| Less management charge | (26,444) | (7,613) |
| Less room hire charges | <u>(100)</u> | <u>-</u> |
| Total fundraising in Group | <u>178,717</u> | <u>66,467</u> |

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

| | 2022 | | | 2021 | | |
|---------------------------------|-------------------------|-----------------------|-------------------------|-----------------------|-----------------------|-------------------------|
| | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total |
| | £ | £ | £ | £ | £ | £ |
| 7 CHARITABLE EXPENDITURE | | | | | | |
| Theatre and performance | 2,238,564 | 876,539 | 3,115,103 | 781,121 | 332,966 | 1,114,087 |
| Creative Learning | 134,609 | 101,243 | 235,852 | 95,547 | 45,704 | 141,251 |
| Supporting the BGT Trust | 68,200 | - | 68,200 | 47,956 | - | 47,956 |
| per Charity | 2,441,373 | 977,782 | 3,419,155 | 924,624 | 378,670 | 1,303,294 |
| Less subcon costs from BGP | (224,411) | - | (224,411) | - | - | - |
| BGP support costs | 995 | - | 995 | - | - | - |
| Per Group | <u>2,217,957</u> | <u>977,782</u> | <u>3,195,739</u> | <u>924,624</u> | <u>378,670</u> | <u>1,303,294</u> |

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

| | 2022 | 2021 |
|-----------------------------------|----------------------|---------------------|
| | £ | £ |
| Charged to Creative Learning Fund | - | - |
| Charged to advertising fund | <u>12,861</u> | <u>9,000</u> |
| | <u>12,861</u> | <u>9,000</u> |

Expenditure in the charity is analysed as follows:

| | Direct costs | Direct salaries | Support costs | Total |
|--|------------------|-----------------|------------------|-------------------------|
| | £ | £ | £ | £ |
| 2021/22 | | | | |
| Theatre and performance | 1,357,434 | 568,217 | 1,189,452 | 3,115,103 |
| Creative learning | 55,521 | 106,874 | 73,457 | 235,852 |
| Supporting the Blackpool Grand Theatre Trust | - | 67,785 | 415 | 68,200 |
| | <u>1,412,955</u> | <u>742,876</u> | <u>1,263,324</u> | <u>3,419,155</u> |
| 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> |

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2022

8 SUPPORT & GOVERNANCE COSTS

| | Costs of | | | | | Total |
|--|-----------|---------|-------------|----------|------------|-----------|
| | Marketing | raising | Theatre & | Creative | Support of | 2022 |
| | £ | funds | Performance | Learning | Trust | £ |
| | £ | £ | £ | £ | £ | £ |
| 2021/22 | | | | | | |
| Salaries | 115,726 | 21,856 | 52,791 | 13,198 | - | 203,571 |
| Marketing costs | 406,998 | - | - | - | - | 406,998 |
| Establishment costs | - | 6,165 | 286,664 | 15,412 | - | 308,241 |
| Cleaners wages | - | 841 | 39,095 | 2,102 | - | 42,038 |
| Office costs | - | 1,636 | 76,088 | 4,091 | - | 81,815 |
| Staff training and recruitment | - | 1,568 | 72,904 | 3,920 | - | 78,392 |
| Finance charges | - | - | 890 | - | - | 890 |
| Accountancy & professional fees | - | - | 1,478 | - | - | 1,478 |
| Depreciation | - | - | 12,287 | 647 | - | 12,934 |
| | 522,724 | 32,066 | 542,197 | 39,370 | - | 1,136,357 |
| Allocation of marketing support costs | (522,724) | - | 496,588 | 26,136 | - | - |
| | - | 32,066 | 1,038,785 | 65,506 | - | 1,136,357 |
| Governance costs | | | | | | |
| Salaries | - | - | 7,464 | 414 | 415 | 8,293 |
| Audit, accountancy & professional fees | - | - | 143,203 | 7,537 | - | 150,740 |
| | - | - | 150,667 | 7,951 | 415 | 159,033 |
| | - | 32,066 | 1,189,452 | 73,457 | 415 | 1,295,390 |

2020/21

Support costs

| | | | | | | |
|--|-----------|--------|---------|--------|-----|---------|
| Support salaries costs | 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 |

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 2022

| 9 STAFF INFORMATION | 2022 | 2021 |
|---|-------------------------|-----------------------|
| | £ | £ |
| a Employees | | |
| Salaries and wages | 971,285 | 838,116 |
| Pension costs | 34,077 | 32,240 |
| Employer's NI contributions | <u>68,328</u> | <u>45,199</u> |
| | <u>1,073,689</u> | <u>915,555</u> |
| | | |
| Staff costs for the Trading subsidiary included above | <u>57,988</u> | <u>-</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 page 1) 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>357,785</u> | <u>352,106</u> |
| Group | <u>385,747</u> | <u>374,055</u> |

c Average staff numbers

The average number of employees was as follows:-

| | 2022 | 2022 | 2021 | 2021 |
|-----------|------------------|--------------------|------------------|--------------------|
| | Average | Average FTE | Average | average FTE |
| | number | number | number | number |
| Employees | <u>54</u> | <u>40</u> | <u>45</u> | <u>34</u> |
| | <u>54</u> | <u>40</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 | 5,255 | 5,125 |
| Accountancy fees | 4,785 | 3,530 |
| Operating lease rentals | 40,000 | 37,388 |
| Depreciation of fixed assets | 12,933 | 657 |
| 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 2022

11 TANGIBLE FIXED ASSETS

| GROUP AND COMPANY | Equipment | Total |
|--------------------------|----------------------|----------------------|
| Cost or valuation | £ | £ |
| As at April 1 2021 | 20,096 | 20,096 |
| Additions | <u>85,474</u> | <u>85,474</u> |
| As at 31 March 2022 | <u>105,570</u> | <u>105,570</u> |
| | | |
| Depreciation | | |
| As at April 1 2021 | 19,440 | 19,440 |
| Charge for the year | <u>12,933</u> | <u>12,933</u> |
| As at 31 March 2022 | <u>32,373</u> | <u>32,373</u> |
| | | |
| Net Book Value | | |
| As at 31 March 2022 | <u>73,197</u> | <u>73,197</u> |
| | | |
| As at 31 March 2021 | <u>656</u> | <u>656</u> |

12 FIXED ASSET INVESTMENTS

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

| Name | Company no. | 2022 | | 2021 | | 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 2022

| | GROUP 2022 £ | GROUP 2021 £ | COMPANY 2022 £ | COMPANY 2021 £ |
|---|--------------------|--------------------|----------------------|----------------------|
| 13 STOCKS | | | | |
| Stock of goods for resale | <u>9,111</u> | <u>1,610</u> | <u>1,250</u> | <u>1,250</u> |
| 14 DEBTORS | | | | |
| Trade debtors | 66,802 | 58,412 | 66,666 | 58,096 |
| Grants and income receivable | 61,844 | 200,554 | 61,844 | 175,179 |
| Blackpool Grand Theatre Catering Company Ltd | - | - | 55,982 | 37,011 |
| Blackpool Grand Productions Ltd | - | - | 13,828 | - |
| Showseats Ltd | - | - | 1,136 | 1,123 |
| Other debtors | - | 107 | - | 107 |
| VAT recoverable | 5,842 | - | 5,842 | - |
| Theatre Tax Credit | 14,824 | - | - | - |
| Prepayments | 61,946 | 9,684 | 55,762 | 8,722 |
| | <u>211,258</u> | <u>268,757</u> | <u>261,060</u> | <u>280,238</u> |
| 15 CREDITORS falling due within one year | | | | |
| Trade creditors | 153,987 | 30,078 | 150,503 | 29,889 |
| Other taxes and social security | 20,508 | 13,152 | 20,508 | 13,152 |
| Accruals | 152,343 | 69,680 | 146,289 | 52,974 |
| Other creditors | 7,115 | 5,804 | 7,115 | 5,760 |
| Income and grants in advance | 856,244 | 459,342 | 856,244 | 459,342 |
| Blackpool Grand Productions Ltd | - | - | - | 1 |
| Funds in trust | 6,087 | 5,783 | 6,087 | 5,783 |
| | <u>1,196,284</u> | <u>583,839</u> | <u>1,186,746</u> | <u>566,901</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 2022

16 STATEMENT OF FUNDS (continued)

| | 2020/21 | | | 2021/22 | | | |
|---------------------------------|------------|-----------|-------------|-----------|-----------|-------------|------------------|
| | 01/04/2020 | Income | Expenditure | Transfers | Income | Expenditure | Transfers |
| | £ | £ | £ | £ | £ | £ | £ |
| Unrestricted funds: | | | | | | | |
| General fund | 166,818 | 1,153,707 | (955,870) | (2,779) | 2,565,114 | (2,476,753) | 19,322 |
| Designated funds: | | | | | | | |
| Programme reserve | 70,000 | - | - | 20,000 | - | - | 60,000 |
| Creative learning fund | 42,875 | - | - | (24,088) | - | - | 44,168 |
| Advertising fund | 5,750 | 10,000 | (5,750) | - | 5,611 | (12,861) | 58,500 |
| Epos and Inventory systems | - | - | - | - | - | - | 18,158 |
| Office improvements | - | - | - | - | - | - | 10,585 |
| Invested in fixed assets | - | - | - | - | - | - | 73,197 |
| | 118,625 | 10,000 | (5,750) | (4,088) | 5,611 | (12,861) | 264,608 |
| Total unrestricted funds | 285,443 | 1,163,707 | (961,620) | (6,867) | 2,570,725 | (2,489,614) | 283,930 |
| Restricted funds | | | | | | | |
| As analysed below | 214,034 | 553,066 | (378,670) | 6,867 | 1,051,554 | (977,782) | (283,930) |
| Total Funds | 499,477 | 1,716,773 | (1,340,290) | - | 3,622,279 | (3,467,396) | - |
| | | | | | | | 1,030,843 |

COMPANY

Unrestricted funds:

General fund
Designated funds:
 Programme reserve
 Creative learning fund
 Advertising fund
 Epos and Inventory systems
 Office improvements
 Invested in fixed assets

Total unrestricted funds

Restricted funds

As analysed below

Total Funds

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2022

16 STATEMENT OF FUNDS (continued)

| | 2020/21 | | | | 2021/22 | | | |
|--|------------|----------|-------------|-----------|-----------|-------------|-----------|------------|
| | 01/04/2020 | Income | Expenditure | Transfers | Income | Expenditure | Transfers | 31/03/2022 |
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Restricted Funds: | | | | | | | | |
| Kickstart | - | - | - | - | 39,034 | (39,034) | - | - |
| Covid funding | | | | | | | | |
| ACE Cultural Recovery Fund (round 1) | - | 483,666 | (327,666) | - | - | (71,525) | (84,475) | - |
| ACE Cultural Recovery Fund 2 | - | - | - | - | 491,000 | (491,000) | - | - |
| ACE CRF - ERSF | - | - | - | - | 469,720 | (259,680) | (199,455) | 10,585 |
| Blackpool Council - audience development | - | 10,000 | - | - | - | (10,000) | - | - |
| | - | 493,666 | (327,666) | - | 999,754 | (871,239) | (283,930) | 10,585 |
| Theatre | | | | | | | | |
| Friends of the grand | - | 5,300 | (5,300) | - | 5,300 | (5,300) | - | - |
| | - | 5,300 | (5,300) | - | 5,300 | (5,300) | - | - |
| Creative learning | | | | | | | | |
| Vera Wolstencroft Trust | 8,273 | - | (171) | - | - | - | - | 8,102 |
| Grand Young Theatre | - | 2,400 | (2,400) | - | 2,500 | - | - | 2,500 |
| RSC - children | 2,464 | 3,345 | (3,942) | - | 7,000 | (6,226) | - | 2,641 |
| RSC - adults | 1,219 | - | (1,219) | - | 10,000 | (7,135) | - | 2,865 |
| Esmée Fairbairn Foundation | 192,340 | - | (19,972) | - | - | (55,197) | - | 117,171 |
| Tales Retold | - | 34,960 | - | - | 22,000 | (19,851) | - | 37,109 |
| Betterstart | 4,738 | (11,605) | - | 6,867 | - | - | - | - |
| UCLN - Illuminate | - | - | - | - | 5,000 | (4,834) | - | 166 |
| Creative Learning Fund | 5,000 | 25,000 | (18,000) | - | - | (8,000) | - | 4,000 |
| | 214,034 | 54,100 | (45,704) | 6,867 | 46,500 | (101,243) | - | 174,554 |
| Total restricted funds | 214,034 | 553,066 | (378,670) | 6,867 | 1,051,554 | (977,782) | (283,930) | 185,139 |

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2022

16 STATEMENT OF FUNDS (continued)

Transfers

Transfers have been made as detailed in the table to create new designated funds.

A transfers has been made to enhance the creative learning fund and to represent the investment in fixed assets.

Designated funds

| | |
|----------------------------|--|
| Programme reserve | To provide support for future seasons programming. |
| Creative learning fund | To support the work of creative learning |
| Advertising fund | To suport online advertising |
| Epos and Inventory systems | To purchase new systems |
| Office improvemnts | To reconfigure the office accomodation |
| Invested in fixed assets | Represents the funds invested in fixed assets |

Restricted funds

Rstricted fund details are set out in the table and are expected to be used in 22/23.

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Company fund balances at March 31 2022

are represented by:-

Fixed assets
 Net current assets

| Unrestricted funds | | Restricted Funds | Total |
|--------------------|----------------|---------------------|-------------------------|
| General | Designated | | |
| £ | £ | £ | £ |
| 73,398 | - | - | 73,398 |
| 396,161 | 376,145 | 185,139 | 957,445 |
| <u>469,559</u> | <u>376,145</u> | <u>185,139</u> | <u>1,030,843</u> |
| | | | |

Company fund balances at March 31 2021

are represented by:-

Fixed assets
 Net current assets

| Unrestricted funds | | Restricted Funds | Total |
|--------------------|----------------|---------------------|-----------------------|
| General | Designated | | |
| £ | £ | £ | £ |
| 857 | - | - | 857 |
| 527,019 | 118,787 | 229,297 | 875,103 |
| <u>527,876</u> | <u>118,787</u> | <u>229,297</u> | <u>875,960</u> |
| | | | |

Free Reserves:

Net current assets

| 2022 | 2021 |
|-----------------------|-----------------------|
| £ | £ |
| <u>396,161</u> | <u>527,019</u> |

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2022

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

| | Group | Group | Charity | Charity |
|---|----------------|----------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Net income/(expenditure) | 154,870 | 376,483 | 154,883 | 376,483 |
| Add back depreciation | 12,933 | 657 | 12,933 | 657 |
| Deduct interest income shown in investing activities | (1,740) | (2,763) | (1,739) | (2,743) |
| Decrease/(increase) in stock | (7,501) | 5,856 | - | - |
| Decrease/(increase) in debtors | 57,499 | 80,257 | 19,178 | 170,782 |
| Increase/(decrease) in creditors | 612,445 | (352,109) | 619,845 | (360,487) |
| Net cash generated from/(used in) operating activities | 828,506 | 108,381 | 805,100 | 184,692 |

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 |
|---|----------------|----------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Not later than one year | 40,000 | 40,721 | 40,000 | 40,721 |
| Later than one year and not later than five years | 160,000 | 161,442 | 160,000 | 161,442 |
| Greater than 5 years | 280,000 | 360,000 | 280,000 | 360,000 |
| | 480,000 | 562,163 | 480,000 | 562,163 |

BLACKPOOL GRAND THEATRE (ARTS & ENTERTAINMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31 2022

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:

| | 2022 | 2021 |
|---|----------------------|---------------|
| | £ | £ |
| Staff costs | 62,446 | 62,446 |
| Room hire charges | 100 | - |
| Management fee | 26,444 | 7,613 |
| | <u>88,990</u> | <u>70,059</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>19,186</u> | <u>13,686</u> |
| | | |
| Balance outstanding at the year end | <u>55,982</u> | <u>37,011</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 £224,411 (2021 - £nil) from A&E for production services and was charged £238,240 (2021 - £nil) by A&E for subcontracts production services and costs.

| | | |
|--------------------------------------|----------------------|------------|
| Balances outstanding at the year end | <u>13,828</u> | <u>(1)</u> |
|--------------------------------------|----------------------|------------|

Blackpool Grand Theatre Trust Ltd (The Trust)

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

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

| | | |
|--|----------------------|---------------|
| Rent and hire charges to A&E | <u>86,115</u> | <u>40,000</u> |
| Management charges to the Trust | <u>66,566</u> | <u>56,219</u> |
| Amount due (to)/from the Trust at the year end | <u>-</u> | <u>5,354</u> |

A formal lease was entered into between the Trust and A&E in respect of the theatre in January 2022. 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.

The Trust has entered into a formal agreement to waive any rent due above the basic rent for 21/22.

Friends of the Grand Theatre (The Friends)

A&E works closely with the Friends of The Grand. The scope of activities undertaken by The Friends has been interrupted by the period of closure. Throughout, they have remained committed advocates for Blackpool Grand Theatre and we are working together to support The Friends with their governance arrangements, fundraising ambitions and social activities in a post-Covid environment. Since re-opening, members of The Friends have given their time as heritage tour guides and signed up as members of The Grand's new volunteer scheme. The Friends of the Grand 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>814</u> | <u>1,806</u> |
|--|-------------------|--------------|

There are no other related party transactions that are required to be disclosed.

The Charity is controlled by its directors.