

Charity Registration No. 513771

Company Registration No. 01697756 (England and Wales)

NORTH EAST THEATRE TRUST LIMITED
CONSOLIDATED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

NORTH EAST THEATRE TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Registered name	North East Theatre Trust Limited
Trading name	Live Theatre
Trustees	P M Callaghan S Emmas M F Henry M F Percy S M Wilson K L H Winskell S Brown J R McKinnell B Hobson L Robson R S Cantrill-Fenwick P T H Shevlin I A Din R M Elgie
Charity number	513771
Company number	01697756
Registered office	29 Broad Chare Quayside Newcastle upon Tyne NE1 3DQ
Telephone	0191 261 2694
Auditor	RMT Accountants & Business Advisors Ltd Gosforth Park Avenue Newcastle upon Tyne NE12 8EG
Bankers	Lloyds Bank plc 102 Grey Street Newcastle upon Tyne NE99 1SL Virgin Money 131-135 Northumberland Street Newcastle upon Tyne NE1 7AG
Solicitors	DWF LLP 2nd Floor Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ

NORTH EAST THEATRE TRUST LIMITED

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CHIEF EXECUTIVE'S ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Introduction

The Annual Report notes in detail the activities of the charity throughout the 2020/21 financial year.

This is my first report as Executive Director/Joint Chief Executive with Jack McNamara joining as Artistic Director/Joint Chief Executive in August 2021. Jim Beirne MBE left the company in March 2021 after 21 years as Chief Executive. During this time Jim transformed the company and its fortunes, developing with the Board of Trustees, its innovative business model of developing social enterprises and using property to create profit for purpose thus ensuring the continued creative output for the theatre.

It has been the strangest of years as the doors of Live Theatre were closed to live audiences for the duration of the 2020/21 financial year due to the global pandemic caused by Covid-19. We closed on 16th March 2020 when the UK went into lockdown and cultural organisations such as Live Theatre were closed to the public and not able to reopen until the summer of 2021. However, although our doors were closed we continued to develop work and ideas to support the sector. We launched Livewired, our online, digital programme in October 2020 and moved our Children and Young People's programme online of which we give details of both later.

Despite this we have been able to sustain the company during this time and have made use of a number of government support schemes as well as receiving invaluable support from trusts and foundations including the Esmee Fairbairn Foundation and The Garfield Weston Culture Fund. The majority of our staff team were furloughed using the government's Job Retention Scheme which we used throughout the year including when we had the ability to flexibly furlough team members which enabled us to develop our work. We were also pleased to receive support from the Culture Recovery Fund administered by Arts Council England on behalf of DCMS as well as grants via Newcastle City Council as a business rate payer.

As well as emergency support we have received throughout the year we remain extremely grateful to those trusts and foundations that continue to support and fund our work, many of them long term supporters. Our thanks go to them all, for capital support; Wolfson Foundation, Theatres Trust and the Foyle Foundation and for revenue support; Esmee Fairbairn Foundation, John Ellerman Foundation, The Shears Foundation, The Squires Foundation, Sir James Knott Trust and many more. We also thank our stakeholders Arts Council England and Newcastle Cultural Investment Fund

Artistic Programme

When the pandemic struck we were mid-way through our Elevator Festival, our showcase for new and emerging creative talent in the region with work just about to be presented to audiences. Despite not being able to present to a live audience all of the shows were performed and filmed for the benefit of the creative teams and companies involved.

We were forced to cancel our Spring/Summer 2020 season in Spring 2020, which was already selling well, and as the impact of the pandemic became clearer and that the effects of Covid on the cultural and theatre sectors would be devastating, with the freelance and independent sector would bear the brunt. We recognised that this risked the loss of new and emerging voices as well as early and mid-career artists. As a result we began to develop a creative programme for the year that worked within the challenges of national lockdowns and post lockdown times with continued Covid restrictions but offered opportunities for the freelance and independent sector.

We were clear about the aims of this programme which was to create a highly visible programme of investment and development in theatre projects and artists, demonstrating Live Theatre is active, accessible and open. This programme of work also aimed to clearly communicate Live's value as a cultural organisation during a period of uncertainty and sectoral change. We hoped to communicate the clear message that we were investing now to ensure a future for theatre in the region.

This aim was to be carried out with a focus on creating opportunities for artists with regards to the crisis within the cultural freelance sector while maintaining Live Theatres diverse voice and artist representation. As well as an understanding of how to enable affirmative action in response to Black Lives Matter and culture wide calls for structural change.

Live's artist development work 'Elevator' has gone from strength to strength in recent years with an ever more increasing range and number of artists working with us. The main parts of the programme are the annual Elevator Festival, open script reading windows, the Introduction to Playwriting course, 10 Minutes to....and our bursary programmes.

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CHIEF EXECUTIVE'S ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Previous years progress in our 'Elevator Programme' illustrates our commitment to developing the artform. The continued investment, supported in particular by the John Ellerman Foundation, and allocation of resources has seen the number of undiscovered and emerging playwrights and theatre practitioners that we have nurtured increase significantly with applications for participation from writers, actors, directors, designers, technicians and theatre makers from a broad geographic area. Although the pandemic caused us to rethink how we delivered our talent development programme it did not halt it.

In the first three months of the national lockdown (April – June 2020) we offered three artist development opportunities through an extended period in order to make the opportunities more accessible.

Aimed at emerging to early career artists the three individual programmes were:

- 10 Minutes toCall Home – a short play competition
- Live Theatre Bursaries – an open call for bursaries of £2,000 to go towards an innovative approach to new plays
- Open Script Submissions

10 Mins to....Call Home – 301 submissions were received for this short play competition and ten plays were selected and given micro-commissions, overall the project engaged 35 freelance artists of which over half were new to Live Theatre and over three quarters were North East artists. Nine of the plays were produced and distributed digitally, one play remains in development. The online distribution of the plays accelerated our foray into digital work and we launched Livewired our digital programme of work. We will continue to develop and grow this work. The following plays were produced for 10 Minutes to...Call Home

Writer	Play
Mandi Chivasa	Amai Vangu (My Mother)
Benjamin Storey	Gutter weeds
Ellen McNally	Off Peak
John Hickman	Blyth Spirit
Nail McCarthy	Star Fish
Sarah Tarbit	Invisible Boundaries
Rebecca Glendening	Sheltered
Olu Alakija	Watching and waiting
Gobscure	You can't start a revolution sitting on your arse

The digitally released plays have had over 24,000 views so far on You Tube alone and were positively received on social media. The critical response was also positive including a review in The Guardian by Mark Fisher who stated "this is the Newcastle upon Tyne theatre doing what it knows best; championing new playwrights and testing out new ideas on stage. This is theatre; we just happen to be watching it online." A huge benefit for the online work is the new and emerging artists work received a far greater reach than if only presented within the theatre.

Live Theatre Bursaries – 201 applications were received for a bursary. The original intention was to award ten Live Bursaries of £2,000 each. however, having reviewed the applications and rethinking how we could use our resources to support as many freelance artists and new ideas as possible it was decided to split the bursaries into two tiers; Full Bursaries and Seed Bursaries. Eight Full Bursaries and six Seed Bursaries were awarded, fourteen in total and four more than originally planned.

Open Script Submissions - 302 script submissions were received during the open window. All were read and feedback given.

Further Creative Opportunities

We successfully took our Introduction to Playwriting Course online and this was held for ten weeks in Winter 2020. There were 30 successful applicants and it was facilitated by a wide range of theatre practitioners. The online nature of the programme allowed for this broader range of facilitators.

Following the success of 10 Minutes to.....Call Home, as part of our Livewired programme, we then went on to develop and produce the Five Plays of Christmas.

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FOR THE YEAR ENDED 31 MARCH 2021

Writer	Play
1.	My Door
2.	Those Yet to Come
3.	End of Term Show
4.	The Whale washed Up On Christmas Eve
5.	Skeletons in Cullercoats

Again, this work attained a far greater reach for the artists than would have presenting in the theatre, with so far 25,822 views online.

A reopening programme was also devised during this time focussing on new and emerging artists and reopening planned for September 2021.

Children and Young People's Work

It is recognised nationally and internationally national lockdowns and Covid related restrictions throughout the year has had a negative impact on children and on young people. To counter some of the isolation they were experiencing and feeling we took both the Youth Theatre and Live Tales programme online.

We established the Youth Theatre Reconnection Collection a ten-week online term. We established six groups and there were over 100 participants. Once this was established, we continued with the online delivery for a further two terms online.

We also developed our online offer for Live Tales. First of all we developed Winter Tales, four CPD sessions for teachers. We worked with seven teachers/schools to support them to create full illustrated stories. In total 190 pupils were engaged in this programme.

We also established a trial for an online Play Makers programme – an online schools programme focussing more on playwrighting. We worked with five schools, over five sessions and engaged 96 pupils. This pilot programme led to a further 44 workshops with 1,223 pupils from 27 different schools delivered by six freelance facilitators.

Alongside this our volunteers who support our children and young people's work are very important to us. We have worked with a core group of 16 volunteers with creative catch ups to counteract any isolation they were feeling over the year and these continue.

Financial viability

Live Theatre continued with its innovative financial model using the profits from social enterprises to build earned income and contribute to the charitable objectives of Live Theatre. The ongoing relationship with our restaurant partners (four separate venues) has been particularly successful including the opening of the new pub and music venue Charts adding a healthy new source of income. Although the pandemic has negatively impacted some of our income from these sources this year due to them being closed for several months we were successful in securing Culture Recovery Fund to negate some of the impact of this.

Despite the difficult year we continue to make progress to stabilise our finances and balance a diverse and successful artistic programme with prudent financial management using effective financial controls, monitoring and reporting mechanisms.

Finance and Personnel sub-committee (F&P) meet regularly to consider the management accounts, risk and overall financial health of the company as well as people matters. The F&P reports in writing to the Board at each meeting ensuring it is clear whether the board is being asked to make a decision or not.

At the end of the 2020/21 financial year group unrestricted reserves had been increased in line with forecasts due primarily to accessing the Job Retention Scheme and Cultural Recovery Fund. The four-year grant from the Esmée Fairbairn Foundation (secured in early 2018) continued supporting the financial resilience and charitable activities of Live Theatre.

We continued to pay artists and freelance staff fairly – based on the Independent Theatre Council rates of pay Live Theatre pays slightly higher than this. When shows were cancelled due to the pandemic we honoured all of our obligations to freelance artists. In addition, we pay all members of staff (including casual) at least the National Living Wage.

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CHIEF EXECUTIVE'S ANNUAL REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

We have continued to invest in the estate and have used the enforced closedown to start the capital project to improve our impact on the environment as well as improve access and visibility of the theatre. We have explored new sources of income to exploit our physical assets and through 2020/21 during the Covid-19 pandemic we worked with major stakeholders and Trust and Foundations to secure Live Theatre's viability during 2020/21 and beyond.

Although, we were once again successful in attracting support from a range of trusts and foundations for a number of areas of our work including the social enterprise model, talent development and the Children and Young People's programme, this area is proving more competitive and we are finding it takes a longer period of time to secure the funding.

At the end of the 2020/21 financial year the group ended with a net income of £1,106,267 to unrestricted funds. We made £4,629 of repayments against our Newcastle City Council capital loan. Over £500,000 of income was derived from Live Theatre's social enterprises.

Management and Governance

The Board of Trustees and Finance and Personnel sub-committee met bi-monthly – with F&P meeting more regularly. Standing agenda items included monitoring and reporting KPI's, Artistic Programme, Creative Case, risks, and financial accounts. Written reports were prepared for Board on these, with F&P considering and evaluating the financial papers in detail prior to making written recommendations to Board for consideration and approval.

The Board took time out in May 2020, to undertake training, consider the strategic direction of Live Theatre, and review mission, vision and values, sustainability, resilience and financial strategy. This work was also picked up during bi-monthly Board meetings as well as post year end.

Strengthening the diversity and skill set of the Board was a priority through the year, underlining our Governance progress and mirroring the progress made in the diversity of our work.

The board of trustees has continued to meet regularly throughout the year supporting the executive team and the wider staff team during this difficult period. Members of the Finance and Personnel Committee have, in particular, dedicated much time supporting the development of sustainable budgets for the short and medium term leaving no stone unturned in this pursuit. Trustees involved in the recruitment of the new leadership team also spent a significant amount of time on this with a huge amount of interest nationally for both roles culminating in the appointment of Jack in spring 2020. Trustee members of the Creative Sub-group of the board also spent time supporting the Creative Team and their work following the departure of Joe Douglas, Artistic Director in November 2020.

Future Plans

The charity now has a range of buildings and physical assets that create a substantial and sustainable income for Live Theatre. Over the next few years we will continue to concentrate on consolidating these assets to make as much return as possible from them to reinvest into our mission. This will support the charity as the effects of the pandemic materialise in the coming years.

The capital project funded via the ACE small capital grants scheme, Wolfson Foundation Theatre's Trust and Foyle Foundation will be completed during 2021/22 which will result in a better environment for creative teams, audiences, staff and all visitors.

The artistic programme will continue to identify and invest in aspiring writers, new plays and young companies and artists to keep the pipeline of new theatre flowing for the sector. It will include new work, initiatives and projects led and influenced by our new Artistic Director Jack McNamara; in the Children and Young People's programme, in the way Live Theatre utilises digital channels, in the way it develops its partnership with the University of Northumbria and the University of Sunderland, with co-producers and national and international producers, and with the changing face of the communities of the North East.

Despite the many challenges facing the sector we are excited about what the future holds for Live Theatre.

Jacqui Kell

Executive Director/Joint Chief Executive

Date: 25 January 2022

NORTH EAST THEATRE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and accounts for the year ended 31 March 2021.

The board of trustees are satisfied with the performance of the group and charity during this incredibly difficult year and the position at 31 March 2021 and consider that the charity is in a stable position to continue its activities during the coming year, and that the charity's assets are adequate to fulfil its obligations. We have nothing but admiration for the team at Live Theatre who with the ongoing support of the Board of Trustees has overcome this immensely difficult and trying year. Despite the many hurdles faced they have continued to support the sector, deliver online work as well as to stabilise the company – this is a huge achievement and the efforts required can not be underestimated.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)".

Objectives and activities

The objects of the charity are to promote, maintain, improve and advance education, particularly by the production of plays and encouragement of the Arts.

The principal activities of the company planned for the year were:

- the production of theatre performances at Live Theatre and the development of writers, actors and creative talent;
- the facilitation of drama and music programmes by other companies;
- the organisation and production of education and outreach activities for the public.

Through its activities the charity aims to:

- create, present and promote new plays informed by our sense of place;
- develop the skills of writers, performers and theatre practitioners at all stages of their careers;
- develop arts education and participation for children, young people and adults;
- involve all kinds of audiences in our endeavours;
- create sustainable income streams to deliver resources and new programmes.

The new priorities could be summarised as:

- embedding a new leadership team into the organisation;
- ensure strong post-Covid recovery;
- actively seeking other creative partners, as co-producers, to develop additional plays and projects;
- bedding down and consolidating the range of Social Enterprises which create unrestricted funds for the charity;
- actively engaging with a digital infrastructure throughout the group.

To further its objectives in 2020/21, the charity aimed for:

Short term

The immediate goals were:

- to deliver a first class programme of new work including new commissions, new plays and productions;
- to deliver a high quality range of education and participation projects;
- to identify develop and nurture new talent through a range of specific projects;
- to achieve this in partnership with other co-producers and cultural institutions;
- to develop the Live Theatre website and CRM system to maximise box office income and fundraising;
- implement Live Theatre's succession plan for senior officers and Board members.

Mid to long term

Public sector investment continues to decrease as a result of the economic recession. In response a significant goal is to increase unrestricted resources in the midterm. This will include:

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

- consolidation of Live Theatre's Social Enterprises and maximising the income from them;
- the continuing development of Live Tales, the creative writing project, part of Live Works;
- working with current partners and developing new ones;
- maintaining the buildings owned by Live Theatre in good working order.

However, as a result of Covid-19 many of these plans had to be reviewed and deferred whilst the sector as a whole dealt with the impact of Covid-19, national lockdowns, restrictions in place and not being physically open for the whole of the 2020/21 financial year. As a result the Trustees along with the Executive Team dealt with, throughout the year, the ongoing challenges presented and in this year dealt with immediate priorities amending plans and responding accordingly to deliver a primarily online, digital creative programme, supported the freelance sector, and secured financial and other support to sustain the company. We have reset our business plan accordingly to factor in an additional year of NPO funding from ACE.

Public benefit that is provided by the charity

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities charity should undertake.

Live Theatre is one of the leading new writing producing theatres in the UK. It produces new plays of world class quality, finds and develops creative talent, and runs one of the largest free arts education programmes in the region. It has an international reputation for this work that involves many and various audiences in the North East and elsewhere around the world.

Details of our activities across the year (including its main programmes, projects, or services provided) that contribute to the achievement of the stated objectives is referred to in detail within the Chief Executive's report where she sets out the specifics of the Covid-19 restricted 2020/21 Creative Programme.

The charity continues to pursue strategies to provide access for all to its work. The physical building has been made accessible to all. Whilst charges for admission to the Live Theatre Productions are made for financial reasons, there is a comprehensive scheme of concessions, selected complimentary tickets for partners and charities and free events and talks. There are no charges made for access to the Education and Participation programmes.

Summary of main activities of the charity in relation to its objects

- Live Theatre has identified and developed new talent through the production of specific projects and various programmes of work by supporting writers at all stages of their careers to progress and pursue their work;
- Live Theatre has contributed to the cultural economy of the region via all its creative and social enterprise projects;
- the board and senior management have researched and devised new methods of deriving and diversifying income to support the charity;
- new partnerships were created with international cultural producers.

Live Theatre has completed an innovative ten-year Programme of Change focussed on the creation and realisation of capital assets and succession planning. The Programme of Change has diversified the charity's income streams, ultimately resulting in making more theatre and devising more projects that inspire an increasing number of adults, young people and children to acquire skills that raise their aspiration and potential, contribute to closing the region's skills gap, and make a positive contribution towards a creative, equal and just society.

Although volunteering opportunities were limited during 2020/21 active, creative based sessions to engage with our volunteers happened throughout the year – in part due to the feelings of isolation the volunteers were experiencing.

Achievements and performance

Despite the clear constraints the trustees are pleased with the achievements Live Theatre has accomplished this year which includes:

- 14 plays produced and distributed digitally
 - 35 + creatives engaged in producing these staged shows
 - Circa 50,000 views of plays online
 - 776 playwrights engaged in our creative opportunities programmes
 - 302 scripts submitted to our open submission programme
 - 201 Bursary submissions
 - 14 Bursaries awarded
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NORTH EAST THEATRE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

- 30 artists took part in online scriptwriting course
- 39 days of R&D space provided to 68 creative freelancers with an in-kind cost of £24,850.
- 6 + freelance theatre facilitators employed through the CYP programme overall
- 101 young people involved weekly Youth Theatre
- Four Winter Tales CPD sessions engaging 7 teachers/schools
- 190 pupils engaged with Winter Tales
- Five schools pilot online Playmakers programme, engaged 96 pupils
- 44 additional Playmakers workshops, 1,223 pupils from 27 schools
- 57 schools worked with through Live Tales

Fundraising activities

In 2020/21 the charity continued its fundraising activities in support of delivery of its objects.

Revenue funds raised for core, project and Education and Participation activities:

Arts Council England (core)	£626,723
Esmée Fairbairn Foundation	£100,000
Newcastle Cultural Investment Fund	£10,000
John Ellerman Foundation	£30,000
The Squires Foundation	£15,000
Sir James Knott Trust	£5,000
The Shears Foundation	£5,000
The Lucy Winskell Fund at Community Foundation	£2,119

A Capital development scheme progressed using funds raised from the ACE Small Capital Scheme, Wolfson Foundation and Theatres Trust.

The continued public sector cutbacks and the uncertainties around Brexit make for a challenging landscape for any charity and made even more challenging by Covid-19. This environment also affects the support gained from Trusts and Foundations as applications face a more competitive environment. Despite this Live Theatre has been supported by many during this difficult year and thanks are given by the Trustees to those partners, stakeholders, trusts and foundations that have given their unwavering support. We have also benefited greatly from government support and without Culture Recovery Funding and the Job Retention Scheme it would have been impossible to see a way out of the pandemic for the company.

The aim of the organisation since 2008 has been to develop unrestricted income via its social enterprises. Some of this income started in 2011. Live Works is the fourth and largest of these social enterprises, a significant capital project which completed in 2016 and has since created new funds to support the charity. We are pleased to report during 2020/21 our current tenant has extended their lease by a further five years. We continue to work with our managing agent and our tenants in our buildings to create a positive working relationship to ensure future sustainable income streams. 2020/21 has also been a difficult year for many of our tenants especially those operating in the hospitality industry but we continue to work with and supported them in their reopening after the national lockdown.

Fundraising practices

The charity and group does not use a commercial participator to raise funds, nor have we engaged volunteers on our behalf/in aid of our charity, during the period relating to this report; all our fundraising has been conducted by Trust staff. Any monies raised directly from the public follow all guidelines set out by the Charity Commission, The Code of Fundraising Practice and English & Welsh law in every respect. There have been no fundraising compliance issues, nor have we received any complaints in relation to our public fundraising during the period relating to this report.

Financial review

Our group reserves total £9,013,235, which includes £7,639,190 of restricted funds, £30,000 of designated funds and £1,344,045 of unrestricted funds. Of these unrestricted funds £6,489,947 are held in fixed assets and investment properties, with an associated long-term loan of £5,739,630. Therefore, our free reserves (being those not tied up in fixed assets, designated or restricted funds) stand at £593,728 as at 31 March 2021. The Trustees have a policy in place which notes that the group should aim to hold building overhead and salary costs for a period of three months within free reserves. The position at the end of March 2021 is a free reserves figure higher than expected due to funds being required to support us in 2021/22 which will diminish this figure.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

As explained on page 1, the year ended 31 March 2021 has been significantly impacted operationally by Covid-19. It has also been a challenging year financially for our sector and stakeholders. However due to mitigating actions taken by the executive team and successful funding bids, the group does expect an improvement in the free reserves position at 31 March 2022, supporting the longer term strategy explained above. The Trustees are pleased to note the improving position on free reserves and given the positive outturn this financial year and the plans in place for 2021/22 we have used this information to assess our going concern assumption. Trustees are content based on these detailed projections and related sensitivity analysis that the group has adequate funds to consider meeting its liabilities as they fall due over the next 12 months. Further details of this are found in the going concern accounting policy in note 1.2.

Arts Council England provided a revenue grant of £626,723 and Newcastle Culture Investment Fund provided a grant of £10,000. Both grants were used to support the core activity of the charity in the delivery of theatre productions, development of writers and the delivery of the education programme.

We have benefited substantially this year, receiving additional support from funding bodies and the government, including Culture Recovery Fund grant of £429,769 provided by Arts Council England and £249,000 provided by Garfield Western Foundation. A total of £393,517 was received through the Job Retention Scheme as well as £139,278 of business support grants provided by Newcastle City Council.

Corporate sponsorship was received from Kilfrost Limited. The growing Friends Scheme has generated £9,150.

The Group Statement of Financial Activities shows net incoming resources for the year of unrestricted funds of £706,320 (2020: outgoing resources £375,320), and net realised incoming resources of restricted funds of £24,967 (2020: net realised outgoing resources of £39,329), making net overall realised incoming resources of £731,017 (2020: net overall realised outgoing resources of £376,474).

The total reserves at the year end stand at £9,013,235 (2020: £8,282,218).

Financial performance of the charity's subsidiary undertakings

Live Trading Limited generated profits of £125,997 (2020: £381,141) for the financial year. The profits for 2021 were gifted to the charity at the year end (2020: £816,950).

LiveWorks (Newcastle upon Tyne) Limited had generated a profit of £79,245 (2020: loss of £332,993 in which £412,213 revaluation loss was recognised). £79,245 (2020: £12,227) was gifted to the charity at the year end.

Risk Management

The charity is open to the usual financial risks of any organisation, and controls are in place to minimise these risks. All material financial commitments and decisions are approved through the Finance & Personnel sub-committee and the main Board of Trustees.

A risk register is maintained by the charity which set out the strategic and operational risks as well as the actions the charity takes to mitigate these. The major risks to the Charity are:

Covid-19

Ongoing restrictions, audience reticence, reduced income streams could cause longer term issues to the running of the company.

Core funding (Public Sector Support)

The continuing reduction of public sector investment in culture creates a challenging environment in which to operate.

Cash flow

Cash flow is monitored on a daily basis and a cash flow is forecast forward on a weekly basis.

Live Works

Projected rental income from Live Theatre's properties is not being achieved. Knight Frank, the leading UK and London property agents, have been contracted to market the properties to as wide a market as possible.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Loss of Key Staff

We will continue to grow a strong senior management team to provide short term cover and medium-term recruitment and replacement options. There has been a succession plan in place for a number of years and the stalled recruitment of a new CEO in March 2021 because of Covid-19, was restarted in the autumn, with the successful appointment in December 2020 of Jacqui Kell as Executive Director & Joint Chief Executive. The recruitment of a new Artistic Director & Joint Chief Executive concluded in April 2021 with the appointment of Jack McNamara (who started with the company in August 2021).

Structure, governance and management

The charity is constituted as a company limited by guarantee and is therefore governed by a memorandum and articles of association. The directors of the company are also trustees of the charity.

Eligibility for membership of the charity and membership of the board of trustees is governed by the memorandum and articles of association. There are no restrictions in the governing document on the operation of the charity or on its investment powers, other than those imposed by general charity law.

Senior staff (key management personnel) to whom the Board of Trustees delegated the day to day management of the charity during 2020/21 year were:

Chief Executive	Jim Beirne
Operations Director	Jacqui Kell (then Executive Director/Joint CEO from 1st March 2021)
Artistic Director	Joe Douglas (resigned November 2020)

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

P M Callaghan
S Emmas
M F Henry
M F Percy
S M Wilson
K L H Winskell
S Brown
J P Beirne (Resigned 31 March 2021)
J R McKinnell
B Hobson
L Robson
R S Cantrill-Fenwick
P T H Shevlin
I A Din
R M Elgie

The memorandum and articles of association allow for up to 18 trustees.

Potential trustees are suggested to the board in order to satisfy any skill shortfall on the board or to assist with a specific project. The individuals submit their CVs and are interviewed by the chair and two other board members. A recommendation is then made to the full board for their consideration. The recruit is then co-opted as a trustee pending election at the next AGM.

The board, who meet bi-monthly, administers the charity. There is a Finance & Personnel sub-committee that meets bi-monthly and various other sub-committees covering performance and other topics that meet on an ad hoc basis. Detailed written board reports and an agenda are prepared by the officers of the charity and circulated in advance of meetings. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity.

The charity has a long standing relationship with its key stakeholders: Arts Council England (ACE) and Newcastle City Council. ACE regard North East Theatre Trust as the leading new writing producer in the North East. Newcastle City Council regards the theatre as one of the City's key cultural assets. Both stakeholders can send an observer to attend board meetings.

NORTH EAST THEATRE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The subsidiary company, Live Trading Limited, supports the objectives of the charity by the hiring of Live Theatre facilities, the operation of its bar and the rental and management of the Social Enterprises of North East Theatre Trust gifting surplus income to the charity. Three board members of North East Theatre Trust are also board members of Live Trading Limited.

The board of trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

Statement of trustees' responsibilities

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

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

In preparing these accounts, the trustees are required to:

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

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

Auditor

RMT Accountants & Business Advisors Ltd were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

NORTH EAST THEATRE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

A word from the Chair of Trustees

The opening words of the annual report and accounts, using the usual reporting language of such documents, say that the Board is satisfied with performance: something of an understatement. Despite an incredibly difficult and challenging year the Board of Trustees is full of admiration and praise for and gratitude to the executive team and all our staff who have worked so hard in this last year and achieved so much despite the adverse circumstances. On behalf of the board, I thank them all.

The Trustees began a succession strategy several years ago and this year in question was always planned to be the final stage in that planned transition. The original intention of that succession plan was for Jim Beirne MBE to step down as Chief Executive in March 2019 after more than twenty years of strong and successful leadership. Instead, to provide stability and continued leadership during such a challenging time Jim agreed to continue in post for an additional year. We therefore finally said goodbye to Jim in March 2021 with much sadness and huge gratitude for everything he has achieved over the many years. We also said goodbye to our Artistic Director Joe Douglas who returned to Scotland during this difficult pandemic year, and we wish him well. Joe's departure did allow us to rethink our leadership structure and we therefore adopted the joint chief executive leadership model now common practice in the sector. The board were delighted to confirm Jacqui Kell as Executive Director/Joint Chief Executive and to welcome Jack McNamara as Artistic Director/Join Chief Executive.

Finally, I must thank my fellow trustees who have offered me, the Executive team and the staff team unwavering support during this year and have dedicated many hours of time guiding the group through this difficult year. I look forward to working with them further in 2021/22.

The trustees' report was approved by the Board of Trustees.

K L Winskell

Trustee

Date: 25 January 2022

NORTH EAST THEATRE TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NORTH EAST THEATRE TRUST LIMITED

Opinion

We have audited the financial statements of North East Theatre Trust Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the group statement of financial activities, the group balance sheet, the charitable company balance sheet, the group statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 charity'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 our audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

NORTH EAST THEATRE TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NORTH EAST THEATRE TRUST LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Capability of the audit in detecting irregularities, including fraud

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Companies Act 2006, Charities Act 2011, Tax, Employment and Pension legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include data protection and health and safety legislation.

NORTH EAST THEATRE TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NORTH EAST THEATRE TRUST LIMITED

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Slater (Senior Statutory Auditor)
for and on behalf of RMT Accountants & Business Advisors Ltd
Statutory Auditor
Gosforth Park Avenue
Newcastle upon Tyne
NE12 8EG

Dated: 27 January 2022

NORTH EAST THEATRE TRUST LIMITED

GROUP STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

Current financial year

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income from:						
Donations and legacies	3	2,064,447	-	24,697	2,089,144	850,642
Charitable activities	4	36,602	-	-	36,602	219,321
Other trading income	5	4,234	-	-	4,234	106,005
Investments	6	503,221	-	-	503,221	667,902
Other income		250	-	-	250	12,360
Total income		2,608,754	-	24,697	2,633,451	1,856,230
Expenditure on:						
Raising funds	7	239,660	-	-	239,660	253,973
Charitable activities	8	1,355,519	-	-	1,355,519	1,792,444
Other	14	307,255	-	-	307,255	224,462
Total resources expended		1,902,434	-	-	1,902,434	2,270,879
Net gains on investments	13	-	-	-	-	38,175
Net incoming resources before transfers		706,320	-	24,697	731,017	(376,474)
Gross transfers between funds	23	399,947	-	(399,947)	-	-
Net income/(expenditure) for the year/ Net movement in funds		1,106,267	-	(375,250)	731,017	(376,474)
Fund balances at 1 April 2020	23	237,778	30,000	8,014,440	8,282,218	8,658,692
Fund balances at 31 March 2021	23	1,344,045	30,000	7,639,190	9,013,235	8,282,218

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

All income and expenditure derive from continuing activities.

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

NORTH EAST THEATRE TRUST LIMITED

GROUP STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

Prior financial year

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2020 £	Total 2019 £
Income from:						
Donations and legacies	3	766,049	-	84,593	850,642	1,050,718
Charitable activities	4	219,321	-	-	219,321	284,880
Other trading income	5	106,005	-	-	106,005	129,880
Investments	6	667,902	-	-	667,902	722,932
Other income		12,360	-	-	12,360	8,212
Total income		1,771,637	-	84,593	1,856,230	2,196,622
Expenditure on:						
Raising funds	7	253,973	-	-	253,973	360,463
Charitable activities	8	1,668,522	-	123,922	1,792,444	1,899,861
Other	14	224,462	-	-	224,462	225,930
Total resources expended		2,146,957	-	123,922	2,270,879	2,486,254
Net gains on investments	13	-	-	38,175	38,175	-
Net outgoing resources before transfers		(375,320)	-	(1,154)	(376,474)	(289,632)
Gross transfers between funds	23	399,026	-	(399,026)	-	-
Net income/(expenditure) for the year/ Net movement in funds		23,706	-	(400,180)	(376,474)	(289,632)
Fund balances at 1 April 2019	23	214,072	30,000	8,414,620	8,658,692	8,658,692
Fund balances at 31 March 2020	23	237,778	30,000	8,014,440	8,282,218	8,658,692

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

All income and expenditure derive from continuing activities.

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

NORTH EAST THEATRE TRUST LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	16		5,946,940		6,219,648
Investment properties	15		8,150,000		8,150,000
			<u>14,096,940</u>		<u>14,369,648</u>
Current assets					
Stock		1,850		1,988	
Debtors	19	497,938		428,532	
Cash at bank and in hand		1,062,782		238,394	
		<u>1,562,570</u>		<u>668,914</u>	
Creditors: amounts falling due within one year	21	(906,645)		(963,871)	
Net current (liabilities)/assets			<u>655,925</u>		<u>(294,957)</u>
Total assets less current liabilities			14,752,865		14,074,691
Creditors: amounts falling due after more than one year	22		(5,739,630)		(5,792,473)
Net assets			<u>9,013,235</u>		<u>8,282,218</u>
Income funds	23				
Restricted funds			7,601,015		7,976,265
Restricted funds – Fair value reserve			38,175		38,175
Unrestricted designated funds			30,000		30,000
Unrestricted general funds			1,344,045		237,778
			<u>9,013,235</u>		<u>8,282,218</u>

The accounts were approved by the Board of Trustees and authorised for issue on 25 January 2022 and are signed on their behalf by;

P M Callaghan
Trustee

K L Winskell
Trustee

Company Registration No. 01697756

NORTH EAST THEATRE TRUST LIMITED

COMPANY BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	16		5,946,940		6,219,648
Investment properties	15		4,325,000		4,325,000
Investments			11		11
			<u>10,271,951</u>		<u>10,544,659</u>
Current assets					
Debtors	19	4,864,169		4,491,401	
Cash at bank and in hand		<u>743,904</u>		<u>213,895</u>	
		5,608,073		4,705,296	
Creditors: amounts falling due within one year	21	<u>(714,946)</u>		<u>(763,052)</u>	
Net current assets			<u>4,893,127</u>		<u>3,942,244</u>
Total assets less current liabilities			15,165,078		14,486,903
Creditors: amounts falling due after more than one year	22		<u>(5,739,630)</u>		<u>(5,792,473)</u>
Net assets			<u><u>9,425,448</u></u>		<u><u>8,694,430</u></u>
Income funds					
Restricted funds			7,601,015		7,976,265
Restricted funds – Fair value reserve			450,388		450,388
Unrestricted designated funds			30,000		30,000
Unrestricted general funds			<u>1,344,045</u>		<u>237,777</u>
			<u>9,425,448</u>		<u>8,694,430</u>

The accounts were approved by the Board of Trustees and authorised for issue on 25 January 2022 and are signed on their behalf by;

P M Callaghan
Trustee

K L Winskell
Trustee

Company Registration No. 01697756

NORTH EAST THEATRE TRUST LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	£	2021 £	£	2020 £
Cash flows from operating activities					
Cash generated from operations	28		928,914		266,171
Investing activities					
Purchase of tangible fixed assets		(99,994)		(334,179)	
Interest received		97		-	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(99,897)		(334,179)
Financing activities					
Repayment of bank loans		(4,629)		(30,986)	
		<u> </u>		<u> </u>	
Net cash used in financing activities			(4,629)		(30,986)
Net increase/(decrease) in cash and cash equivalents			824,388		(98,994)
Cash and cash equivalents at beginning of year			238,394		337,388
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			1,062,782		238,394
			<u> </u>		<u> </u>

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

North East Theatre Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 29 Broad Chare, Quayside, Newcastle upon Tyne, NE1 3DQ.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

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

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

1.2 Going concern

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. This includes taking into account the potential impact of Covid-19 to ensure that cashflow is positively managed and the impact to the charity's operations are mitigated. The trustees have concluded that the going concern assumption is appropriate in preparing these financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

The charity maintains a general unrestricted fund which represents funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

Restricted funds have been provided to the charity for particular purposes, and it is the policy of the board of trustees to carefully monitor the application of those funds in accordance with the restrictions placed upon them.

A fixed asset fund is maintained which represents the written down value of tangible fixed assets. This is a restricted fixed asset fund representing the written down value of those assets subject to restrictions. The detailed operation of these funds is described under the accounting policy 'Capital grants' above.

There is no formal policy of transfer between funds or on the allocation of funds to designated funds, other than that described above. Any other proposed transfer between funds would be considered on the particular circumstances.

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (continued)

1.4 Incoming resources

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Incoming resources are accounted for on a receivable basis deferred as described below where appropriate.

Except as described under the 'Deferred income' accounting policy all grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Investment income

Bank interest is included in the income and expenditure account on a receivable basis.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

The policy for including items within the relevant activity categories of resources expended is as detailed in the report to the trustees.

In particular the policy for including items within costs of generating funds, charitable activities and governance costs is based on current accounting standards, the SORP and the reasonable judgement of the trustees.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Items of less than £100 are not capitalised.

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

Freehold land and buildings	Over 100 years straight line
Leasehold land and buildings	Over the term of the lease up to a maximum of 20 years straight line
Plant and machinery	15 - 25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

A regular annual review of the likelihood of asset impairment is undertaken.

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (continued)

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities..

Freehold land and buildings and Leasehold land and buildings initially measured at cost, that meet the definition of investment property above have been reclassified as investment property and are measured at fair value at the reporting end date. During the year five properties were reclassified as investment properties. The net gain on revaluation is treated as a separate restricted reserve.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (continued)

1.11 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (continued)

1.14 Capital grants

The board of trustees consider that, in order to comply with the SORP, gifts of tangible fixed assets or grants of a capital nature given for specific purposes and fully utilised in the furtherance of the objects of the charity should be credited to the relevant fixed asset fund after the sums have been properly expended on the restricted purpose. The related asset is shown in the balance sheet at the full cost of acquisition or subsequent revaluation.

If the related assets are subject to restrictions by the grant making organisation on their use and disposal, then these restrictions are noted in the fixed asset section of these accounts. In such circumstances, the fixed asset fund created is treated as a restricted fixed asset fund. As the related assets are depreciated, then a transfer is made from restricted fixed asset funds to unrestricted revenue reserves to reflect the diminution in the asset subject to the restriction. In this year, a sum of £399,947 (2020: £399,026) was transferred from restricted fixed asset funds to unrestricted revenue reserves.

Any residual liability to the donor arising from, for example, the asset's future sale, is disclosed as a contingent liability unless the event that would trigger repayment of the grant becomes probable in which case a liability for repayment is recognised.

Insofar as this policy relates to Government grants and to the extent that it may be a departure from the Statement of Standard Accounting Practice Number 4, such departure is justified on the basis that it is in order to comply with the SORP.

1.15 Taxation

As a registered charity, North East Theatre Trust is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Any trading surplus or capital gain of the subsidiaries, Live Trading Limited and LiveWorks (Newcastle upon Tyne) Limited, not covered by the deed of covenant, are subject to corporation tax. Value Added Tax is recoverable by the group and is therefore excluded from the relevant income and expenditure in the Statement of Financial Activities and tangible fixed assets on the Balance Sheet.

1.16 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

2 Critical accounting estimates and judgements

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

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

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donations and gifts	2,980	-	2,980	3,662
Grants receivable	2,044,817	24,697	2,069,514	832,635
Sponsorship	16,650	-	16,650	14,345
	<u>2,064,447</u>	<u>24,697</u>	<u>2,089,144</u>	<u>850,642</u>
For the year ended 31 March 2020	<u>766,049</u>	<u>84,593</u>		<u>850,642</u>

In March 2020 the Government introduced the Coronavirus Job Retention Scheme which allowed employers to put staff on temporary leave and reclaim between 60% to 80% of the employees' payroll costs. During the year to 31 March 2021 the group claimed £393,517. In addition, the Government had also introduced a number of Covid-19 business support grants, for which the group was eligible, and received a total of £139,278.

The group had also received emergency funding from Arts Council England and Garfield Western Foundation, totalling £678,768, to support the charity during its closure.

4 Charitable activities

	Theatre activities £	Education and participation £	Total 2021 £	Total 2020 £
Charitable income	<u>13,602</u>	<u>23,000</u>	<u>36,602</u>	<u>219,321</u>
Analysis by fund				
Unrestricted funds	<u>13,602</u>	<u>23,000</u>	<u>36,602</u>	
For the year ended 31 March 2020				
Unrestricted funds	<u>165,600</u>	<u>53,721</u>		<u>219,321</u>

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Other trading income

	Unrestricted funds £	Total 2021 £	Total 2020 £
Bar and buffet income	-	-	79,352
Venue hire	4,234	4,234	26,653
	<u>4,234</u>	<u>4,234</u>	<u>106,005</u>
For the year ended 31 March 2020	<u>106,005</u>		<u>106,005</u>

6 Investment income

	Unrestricted funds £	Total 2021 £	Total 2020 £
Rental income	503,124	503,124	667,891
Bank interest receivable	97	97	11
	<u>503,221</u>	<u>503,221</u>	<u>667,902</u>
For the year ended 31 March 2020	<u>667,902</u>		<u>667,902</u>

7 Raising funds

	2021 £	2020 £
<u>Fundraising</u>		
Support costs	45,004	46,064
	<u>45,004</u>	<u>46,064</u>
<u>Marketing and publicity</u>		
Support costs	44,863	46,700
	<u>44,863</u>	<u>46,700</u>
<u>Trading costs</u>		
Commercial trading operations	144,767	156,196
Governance cost	5,026	5,013
	<u>149,793</u>	<u>161,209</u>
	<u>239,660</u>	<u>253,973</u>

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Charitable activities

	Theatre activities	Education and participation	Total 2021	Total 2020
	£	£	£	£
Production costs	114,215	-	114,215	302,628
Education and participation expenses	-	23,966	23,966	61,355
Cleaning	3,168	2,773	5,941	34,336
IT support costs	31,179	4,934	36,113	39,153
Equipment leasing	-	-	-	2,019
Insurance	20,962	18,342	39,304	37,464
Licences	1,841	-	1,841	3,147
Light and heat	17,772	15,550	33,322	62,378
Printing, postage and stationery	661	578	1,239	3,585
Repairs and maintenance	17,008	14,883	31,891	61,358
Rent, rates and water	32,188	28,165	60,353	63,425
Subscriptions	2,450	2,143	4,593	5,385
Telephone and fax	4,508	3,945	8,453	8,627
Sundries	1,099	961	2,060	5,130
	<u>247,051</u>	<u>116,240</u>	<u>363,291</u>	<u>689,990</u>
Share of support costs (see note 9)	523,814	464,514	988,328	1,091,008
Share of governance costs (see note 9)	2,067	1,833	3,900	11,446
	<u>772,932</u>	<u>582,587</u>	<u>1,355,519</u>	<u>1,792,444</u>
Analysis by fund				
Unrestricted funds	772,932	582,587	1,355,519	
Restricted funds	-	-	-	
	<u>772,932</u>	<u>582,587</u>	<u>1,355,519</u>	
For the year ended 31 March 2020				
Unrestricted funds	1,315,975	352,547		1,668,522
Restricted funds	7,242	116,680		123,922
	<u>1,323,217</u>	<u>469,227</u>		<u>1,792,444</u>

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Support costs

	Support costs	Governance costs	2021	2020
	£	£	£	£
Employment costs	598,221	-	598,221	627,621
Other staff costs	21,275	-	21,275	15,978
Depreciation	372,702	-	372,702	375,744
Marketing and publicity	14,431	-	14,431	39,710
Premises	56,418	-	56,418	98,119
General administrative expenses	15,148	-	15,148	26,600
Audit fees	-	2,600	2,600	6,900
Accountancy	-	1,300	1,300	4,313
Trustees' expenses	-	-	-	5,246
	<u>1,078,195</u>	<u>3,900</u>	<u>1,082,095</u>	<u>1,200,231</u>
Analysed between				
Fundraising	89,867	-	89,867	97,777
Charitable activities	988,328	3,900	992,228	1,102,454
	<u>1,078,195</u>	<u>3,900</u>	<u>1,082,095</u>	<u>1,200,231</u>

10 Net movement in funds

	2021	2020
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor		
- Audit fees	6,900	6,900
- Non audit fees	2,013	4,313
Depreciation of owned tangible fixed assets	372,702	375,744
Operating lease charges	79,265	81,988
	<u>79,265</u>	<u>81,988</u>

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Trustees

	2021 £	2020 £
<i>The amount of travel expenses paid to trustees was:</i>		
J P Beirne	-	<u>5,246</u>
<i>Remuneration payable to trustees or connected persons:</i>		
J P Beirne	<u>60,947</u>	<u>60,947</u>
<i>Employer's National Insurance contributions on above remuneration:</i>		
J P Beirne	<u>7,197</u>	<u>7,219</u>
<i>Pension contributions relating to trustees or connected persons:</i>		
J P Beirne	<u>1,828</u>	<u>1,828</u>

J P Beirne was a member of the charity's defined contribution scheme. He contributed 3% of his salary to the scheme. The charity had also contributed 3% of his salary.

All payments to trustees were made in accordance with the terms of the memorandum and articles of the charity.

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Employees

Number of employees

The average monthly number employees during the year was:

	2021	2020
	Number	Number
Charitable activities	14	14
Publicity activities	2	3
Fundraising activities	2	2
Management and administration	5	6
	<hr/>	<hr/>
	23	25
	<hr/> <hr/>	<hr/> <hr/>

Employment costs

	2021	2020
	£	£
Wages and salaries	644,786	677,905
Social security costs	49,663	46,040
Other pension costs	17,007	17,368
	<hr/>	<hr/>
	711,456	741,313
	<hr/> <hr/>	<hr/> <hr/>

The number of employees whose annual remuneration was £60,000 or more were:

	2021	2020
	Number	Number
£60,000 - £69,999	1	1
	<hr/>	<hr/>

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Net gains/(losses) on investments

	2021 £	2020 £
Fair value gain on investment properties	-	38,175

14 Other expenditure

	2021 £	2020 £
Financing costs	307,255	224,462

15 Investment property - group

	2021 £
Fair value At 1 April 2020 and 31 March 2021	8,150,000

Investment property comprises of 5 properties. The fair value of the investment properties has been arrived at on the basis of a valuation carried out in November 2019, by Knight Frank, chartered surveyors, who are not connected with the group. The valuation was on an open market value basis by reference to market evidence of transaction prices for similar properties.

The valuation of the properties have been reviewed by the Trustees during the year and they conclude that the fair value of the properties remains appropriate at the balance sheet date.

Investment property - company

	2021 £
Fair value At 1 April 2020 and 31 March 2021	4,325,000

Investment property comprises of 4 properties. The fair value of the investment properties has been arrived at on the basis of a valuation carried out in November 2019, by Knight Frank, chartered surveyors, who are not connected with the group. The valuation was on an open market value basis by reference to market evidence of transaction prices for similar properties.

The valuation of the properties were reviewed by the Trustees during the year and conclude that the fair value of the properties remains appropriate.

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Tangible fixed assets - group

	Freehold land and buildings	Leasehold land and buildings	Plant and machinery	Total
	£	£	£	£
Cost				
At 1 April 2020	3,294,615	7,435,182	499,364	11,229,161
Additions	-	-	99,994	99,994
At 31 March 2021	<u>3,294,615</u>	<u>7,435,182</u>	<u>599,358</u>	<u>11,329,155</u>
Depreciation and impairment				
At 1 April 2020	72,144	4,537,376	399,993	5,009,513
Depreciation charged in the year	17,947	333,505	21,250	372,702
At 31 March 2021	<u>90,091</u>	<u>4,870,881</u>	<u>421,243</u>	<u>5,382,215</u>
Carrying amount				
At 31 March 2021	<u>3,204,524</u>	<u>2,564,301</u>	<u>178,115</u>	<u>5,946,940</u>
At 31 March 2020	<u>3,222,471</u>	<u>2,897,806</u>	<u>99,371</u>	<u>6,219,648</u>

All assets are used for direct charitable purposes and there are no inalienable or heritage assets..

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Tangible fixed assets (continued) - company

	Freehold land and buildings	Leasehold land and buildings	Plant and machinery	Total
	£	£	£	£
Cost				
At 1 April 2020	3,294,615	7,435,182	499,364	11,229,161
Additions	-	-	99,994	99,994
At 31 March 2021	3,294,615	7,435,182	599,358	11,329,155
Depreciation and impairment				
At 1 April 2020	72,144	4,537,376	399,993	5,009,513
Depreciation charged in the year	17,947	333,505	21,250	372,702
At 31 March 2021	90,091	4,870,881	421,243	5,382,215
Carrying amount				
At 31 March 2021	3,204,524	2,564,301	178,115	5,946,940
At 31 March 2020	3,222,471	2,897,806	99,371	6,219,648

All assets are used for direct charitable purposes and there are no inalienable or heritage assets.

17 Subsidiary undertakings included within the group accounts

Live Trading Limited

The name of the subsidiary undertaking is Live Trading Limited, registered in England, company number 03100229. The aggregate amount of the holding company's investment in its subsidiary is £1, which represents 100% of the issued ordinary share capital of the subsidiary. The subsidiary is controlled by the holding company by virtue of the power to appoint directors to the board of the subsidiary.

The subsidiary's activities relate to those of the holding company in that the subsidiary is a trading enterprise engaging in trades similar to the charitable activities of the holding company, and donates its entire taxable trading profit to the holding company by way of deed of covenant.

LiveWorks (Newcastle upon Tyne) Limited

The name of the subsidiary undertaking is LiveWorks (Newcastle upon Tyne) Limited, registered in England, company number 08981067. The aggregate amount of the holding company's investment in its subsidiary is £10, which represents 100% of the issued ordinary share capital of the subsidiary. The subsidiary is controlled by the holding company by virtue of the power to appoint directors to the board of the subsidiary.

The subsidiary's activities relate to those of the holding company in that the subsidiary is a trading enterprise assisting in the construction of the new LiveWorks building.

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

17 Subsidiary undertakings included within the group accounts (continued)

A summary of the audited accounts of the subsidiaries is as follows:

	2021 £	2020 £
LiveWorks (Newcastle upon Tyne) Limited		
Aggregate amount of assets	4,002,318	3,953,973
Aggregate amount of liabilities and provisions	<u>(4,414,521)</u>	<u>(4,366,176)</u>
Aggregate amount of net liabilities	<u>(412,203)</u>	<u>(412,203)</u>
<i>Profit and loss</i>		
Turnover (net of VAT)	233,747	233,748
Expenses (net of VAT)	(154,502)	(154,528)
Other losses	<u>-</u>	<u>(412,213)</u>
Net profit/(loss)	79,245	(332,993)
Payments made to holding company	<u>(79,245)</u>	<u>(12,227)</u>
Net profit/(loss) after donations	<u>-</u>	<u>(345,220)</u>
Live Trading Limited		
Aggregate amount of assets	328,670	279,487
Aggregate amount of liabilities and provisions	<u>(328,669)</u>	<u>(279,486)</u>
Aggregate amount of funds	<u>1</u>	<u>1</u>
<i>Profit and loss</i>		
Turnover (net of VAT)	273,611	540,146
Expenses (net of VAT)	<u>(147,614)</u>	<u>(159,005)</u>
Net profit	125,997	381,141
Payments made to holding company	<u>(125,997)</u>	<u>(816,950)</u>
Net profit/(loss) after donations	<u>-</u>	<u>(435,809)</u>

18 Financial instruments

	Group £	2021 Company £	Group £	2020 Company £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	<u>75,889</u>	<u>4,577,841</u>	<u>37,190</u>	<u>4,359,820</u>
Equity instruments measured at cost less impairment	<u>-</u>	<u>11</u>	<u>-</u>	<u>11</u>
Carrying amount of financial liabilities				
Measured at amortised cost	<u>6,644,756</u>	<u>6,453,057</u>	<u>6,700,593</u>	<u>6,499,774</u>

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

19 Debtors

	Group £	2021 Company £	Group £	2020 Company £
Amounts falling due within one year:				
Trade debtors	75,889	26,349	37,190	3,349
Amounts due from subsidiary undertakings	-	4,551,492	-	4,356,471
Prepayments and accrued income	<u>422,049</u>	<u>286,328</u>	<u>391,342</u>	<u>131,581</u>
	<u>497,938</u>	<u>4,864,169</u>	<u>428,532</u>	<u>4,491,401</u>

20 Loans and overdrafts

	Group £	2021 Company £	Group £	2020 Company £
Other loans	<u>5,838,010</u>	<u>5,838,010</u>	<u>5,842,639</u>	<u>5,842,639</u>
Payable within one year	98,380	98,380	50,166	50,166
Payable after one year	<u>5,739,630</u>	<u>5,739,630</u>	<u>5,792,473</u>	<u>5,792,473</u>

Interest rates of 5.02% and 8.08% per annum are applied to the loans, with repayments to be made over the remaining 37 years of the loan agreements. The long term loans are secured by fixed charges over the fixed assets of the charity.

21 Creditors: amounts falling due within one year

	Notes	Group £	2021 Company £	Group £	2020 Company £
Other loans	20	98,380	98,380	50,166	50,166
Other taxation and social security		1,519	1,519	55,751	55,751
Trade creditors		224,041	194,072	218,318	182,456
Other creditors		5,069	4,469	6,810	86,977
Accruals and deferred income		<u>577,636</u>	<u>416,506</u>	<u>632,826</u>	<u>387,702</u>
		<u>906,645</u>	<u>714,946</u>	<u>963,871</u>	<u>763,052</u>

22 Creditors: amounts falling due after more than one year

	Notes	Group £	2021 Company £	Group £	2020 Company £
Other loans	20	<u>5,739,630</u>	<u>5,739,630</u>	<u>5,792,473</u>	<u>5,792,473</u>

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Movement in funds

Current financial year

	Movement in funds				Fair value gains and losses	Balance at 31 March 2021 £
	Balance at 1 April 2020 £	Incoming resources £	Outgoing resources £	Transfers between funds £		
<u>Unrestricted funds</u>						
<i>Designated:</i>						
Capital maintenance	30,000	-	-	-	-	30,000
<i>General:</i>						
Revenue reserves	237,778	2,608,754	(1,902,434)	399,947	-	1,344,045
Total unrestricted funds	267,778	2,608,754	(1,902,434)	399,947	-	1,374,045
<u>Restricted funds</u>						
Capital redevelopment fund (1995-97)	145	-	-	(22)	-	123
Capital redevelopment fund (2005-07)	2,002,564	-	-	(266,451)	-	1,736,113
Capital development (Sustain fund)	217,396	-	-	(19,764)	-	197,632
Capital development (The Schoolhouse)	666,168	-	-	(51,070)	-	615,098
Capital development (Live Works)	4,974,249	-	-	(51,643)	-	4,922,606
Capital (Live Theatre)	108,243	2,578	-	(10,997)	-	99,824
Education and Participation	7,500	22,119	-	-	-	29,619
Fair value reserve	38,175	-	-	-	-	38,175
Total restricted funds	8,014,440	24,697	-	(399,947)	-	7,639,190
Total funds	8,282,218	2,633,451	(1,902,434)	-	-	9,013,235

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Movement in funds (continued)

Prior financial year

	Balance at Incoming		Movement in funds		Fair value gains and losses	Balance at 31 March 2020
	1 April 2019	resources	Outgoing resources	Transfers between funds		
	£	£	£	£		£
<u>Unrestricted funds</u>						
<i>Designated:</i>						
Capital maintenance	30,000	-	-	-	-	30,000
<i>General:</i>						
Revenue reserves	214,072	1,771,637	(2,146,957)	399,026	-	237,778
Total unrestricted funds	244,072	1,771,637	(2,146,957)	399,026	-	267,778
<u>Restricted funds</u>						
Capital redevelopment fund (1995-97)	171	-	-	(26)	-	145
Capital redevelopment fund (2005-07)	2,269,015	-	-	(266,451)	-	2,002,564
Capital development (Sustain fund)	237,159	-	-	(19,763)	-	217,396
Capital development (The Schoolhouse)	717,238	-	-	(51,070)	-	666,168
Capital development (Live Works)	5,025,892	-	-	(51,643)	-	4,974,249
Capital (Live Theatre)	110,870	7,446	-	(10,073)	-	108,243
Education and Participation	54,275	77,147	(123,922)	-	-	7,500
Fair value reserve	-	-	-	-	38,175	38,175
Total restricted funds	8,414,620	84,593	(123,922)	(399,026)	38,175	8,014,440
Total funds	8,658,692	1,856,230	(2,270,789)	-	38,175	8,282,218

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Movement in funds (continued)

Capital redevelopment fund (1995-97)

Grants to finance building alterations in 1995 and 1997 were received from Tyne & Wear Development Fund and the European Social Fund. These are released at a rate to match the anticipated economic life of the alterations undertaken. The grants have restrictive clauses of various time periods relating to the disposal of the buildings. The surplus of grant release over depreciation is carried forward until the expiry of the grant restrictions.

Capital redevelopment fund (2005-07)

Capital grant funding was received to fund the acquisition of a 32 year lease of 29 Broad Chare and to fund the alteration costs to provide a new entrance and foyer, a new entrance into the theatre auditorium, rehearsal and designated writers' spaces, a new cafe space and office accommodation. The grants are released at a rate to match the anticipated economic life of the alterations undertaken. The grants have restrictive clauses of various time periods relating to the disposal of the buildings. The surplus of grant release over depreciation is carried forward until the expiry of the grant restrictions.

Sustain fund

Live Theatre was awarded a grant by Arts Council England under its Sustain managed fund to enable the charity to develop investment projects to provide additional future sources of income. The grant is released at a rate to match the anticipated economic life of the building alterations undertaken. The grant has a restrictive clause relating to the disposal of the building. The surplus of grant release over depreciation is carried forward until the expiry of the grant restriction.

The Schoolhouse

Arts Council England, through their Renew Fund, with assistance from the European Regional Development Fund, have funded the acquisition and will assist with the development of The Schoolhouse to be a centre for creative activities, and a SME incubator for Live Theatre cultural businesses whilst generating rental income. The grants will be released at a rate to match the anticipated economic life of the alterations undertaken. The grants have restrictive clauses of various time periods relating to the disposal of the buildings. The surplus of grant release over depreciation is carried forward until the expiry of the grant restrictions. No further funds were received this year.

Live Works

Grant funding was received from the following organisations, since 2014, to enable a new building to be constructed which will provide further Social Enterprise income and a new creative writing centre, a park and an outdoor stage.

Arts Council England	£2,000,000
The Catherine Cookson Charitable Trust	£300,000
Sir James Knott Trust	£75,000
Garfield Weston Foundation	£200,000
Gillian Dickinson Trust	£200,000
The Monument Trust	£150,000
Department for Communities and Local Government	£2,189,273
The Wolfson Foundation	£50,000
Fidelity UK Foundation	£75,000
Architectural Heritage Fund	£26,100

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Movement in funds (continued)

Education and Participation

The following grant(s) were received as restricted funds in the year.

The Lucy Winskell Fund at the Community Foundation	£2,119
Samares Investments Limited	£5,000
The Squires Foundation	£15,000

Capital (Live Theatre)

The following grant(s) were received as restricted funds in the year.

Arts Council – Fit for 50	£1,378
Theatres Trust	£1,200

Designated capital maintenance fund

In the 2018 financial year the trustees had set aside £30,000 from unrestricted reserves in order to meet expected future capital asset improvements. This designated fund does not form part of the charity's unrestricted general funds.

Explanation of the nature of each material transfer between funds

In accordance with the accounting policy relating to capital grants in note 1 above, funds are released to revenue reserves to match the depreciation on the associated assets:

The 1995-97 Capital Redevelopment fund	£22
The 2005-07 Capital Redevelopment fund	£266,451
The 2010-11 Sustain fund	£19,764
The School House fund	£51,070
Live Works	£51,643
Live Theatre	£10,997

24 Analysis of net assets between funds

Current financial year

	Unrestricted funds	Designated funds	Restricted funds	Fair value reserve	Total
	£	£	£	£	£
Fund balances at 31 March 2021 are represented by:					
Tangible assets	1,780,718	-	4,166,222	-	5,946,940
Investment property	4,709,229	-	3,402,596	38,175	8,150,000
Current assets/(liabilities)	593,728	30,000	32,197	-	655,925
Long term liabilities	(5,739,630)	-	-	-	(5,739,630)
	<u>1,344,045</u>	<u>30,000</u>	<u>7,601,015</u>	<u>38,175</u>	<u>9,013,235</u>

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

24 Analysis of net assets between funds (continued)

Prior financial year

	Unrestricted funds	Designated funds	Restricted funds	Fair value reserve	Total
	£	£	£	£	£
Fund balances at 31 March 2019 are represented by:					
Tangible assets	1,689,176	-	4,530,472	-	6,219,648
Investment property	4,673,532	-	3,438,293	38,175	8,150,000
Current assets/(liabilities)	(332,457)	30,000	7,500	-	(294,957)
Long term liabilities	(5,792,473)	-	-	-	(5,792,473)
	<u>237,778</u>	<u>30,000</u>	<u>7,976,265</u>	<u>38,175</u>	<u>8,282,218</u>

25 Financial commitments, guarantees and contingent liabilities

As referred to in note 23 above, the grants receivable from the European Regional Development Fund, Heritage Lottery Fund and Arts Council England are repayable if the charity fails to keep to the terms of the agreements with the grant funders, undergoes a significant change in status, ceases to operate or is declared insolvent within the periods as set out below:

European Regional Development Fund (£892,732) up to 31 March 2026;
Heritage Lottery Fund (£457,319) up to 31 January 2031;
Arts Council England (£182,200) up to 22 March 2027;
European Regional Development Fund (£414,387) up to 31 March 2038;

These agreements are secured by legal charges over the leasehold properties at Trinity Chare, including The Schoolhouse, and Broad Chare, Newcastle upon Tyne.

26 Related party transactions

The company has taken advantage of the exemption available in FRS 102 "Related party disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking.

P Callaghan, a Trustee, is a director of a company which developed and became a tenant of one of the properties owned by the group. This transaction was approved of the Charity Commission.

During the year the charity received £2,119 from the Lucy Winkell Fund at Community Foundation. Lucy Winkell is a trustee of the charity and also of Community Foundation.

Remuneration of key management personnel

The remuneration of key management personnel (listed on page 9) is as follows.

	2021	2020
	£	£
Aggregate compensation	<u>138,344</u>	<u>153,353</u>

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

27 Subsidiaries

These financial statements are separate from the group financial statements for North East Theatre Trust Limited.

Separate financial statements are required to be prepared by law. Consolidated financial statements for the North East Theatre Trust Limited Group are prepared and publicly available from Companies House and the Charity Commission.

Details of the charity's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
LiveWorks (Newcastle upon Tyne) Ltd	Capital management	Ordinary	100.00	
Live Trading Limited	Commercial operations	Ordinary	100.00	

The investments in subsidiaries are all stated at cost.

28 Cash generated from operations

	2021 £	2020 £
Surplus/(deficit) for the year	731,017	(376,474)
Adjustments for:		
Investment income recognised in profit or loss	(97)	-
Fair value gains on investment properties	-	(38,175)
Depreciation and impairment of tangible fixed assets	372,702	375,744
Movements in working capital:		
Decrease in stock	138	1,853
(Increase)/decrease in debtors	(69,406)	356,374
Decrease in creditors	(105,440)	(53,151)
Cash generated from/(absorbed by) operations	928,914	266,171

29 Parent company's income and expenditure account

The company is required to prepared group accounts under the provision of the Companies Act and has taken advantage of the exemption afforded by section 408 Companies Act 2006 to exclude its individual Statement of Financial Activities from the group accounts.

The net income shown in the individual Statement of Financial Activities of the parent company for the year ended 31st March 2021, and included in the group accounts, is £731,018 (2020: £404,554)