

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 2022

NORTH EAST THEATRE TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Registered name	North East Theatre Trust Limited
Trading name	Live Theatre
Trustees	S Emma 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 J A Kell (Appointed 1 April 2021)
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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NORTH EAST THEATRE TRUST LIMITED

CHIEF EXECUTIVE'S ANNUAL REPORT

TO THE MEMBERS OF NORTH EAST THEATRE TRUST LIMITED

Introduction

The Annual Report notes in detail the activities of the charity throughout the 2021/22 financial year.

This is our first report as Joint Chief Executive's. We were delighted to reopen our doors to audiences in September 2021 with a 'Back to Live' programme of work focussing on new and emerging talent.

Although our building was closed during the pandemic we continued to create new stories and work with artists and young people. We found new ways to do things and new ways to reach audiences. However, reopening was a special moment because Live Theatre is much more than just a building. It's a place where people share stories that matter to them and connect with one another.

Despite difficult economic and financial conditions we have been able to sustain the company during the pandemic and we are extremely grateful to our varied funders. We were pleased to receive support from the Culture Recovery Fund administered by Arts Council England on behalf of DCMS as well as benefiting from government support schemes including the Job Retention Scheme and business grants via Newcastle City Council as a business rates payer. We have received invaluable support from trusts and foundations that continue to support and fund our work, many of them long terms supporters. Our thanks go to them all, for capital support; Wolfson Foundation, Theatres Trust and the Foyle Foundation and for revenue support; Esmée Fairbairn Foundation, Garfield Weston Foundation, John Ellerman Foundation and Sir James Knott Trust. We also thank our stakeholders Arts Council England.

Artistic Programme

As the impact of the pandemic became clearer and the realisation the effects of Covid on the cultural and theatre sectors would be devastating, with the freelance and independent sector bearing 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 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. The 'Back to Live' programme 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, Your Voice North East (previously 10 minutes to....)....and our bursary programmes.

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 2021/22 we offered four artist development opportunities:

- Your Voice North East – a short play competition
- Live Theatre Elevator Bursaries – an open call for bursaries for plays to be presented at the Elevator Festival
- Open Script Submissions
- Live Playwriting Course

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CHIEF EXECUTIVE'S ANNUAL REPORT

TO THE MEMBERS OF NORTH EAST THEATRE TRUST LIMITED

Your Voice North East – 95 submissions were received for this short play competition and seven plays were selected and given micro-commissions, overall the project engaged 28 freelance artists of which 12 were new to Live Theatre and 26 were North East artists. The following plays were produced for Your Voice North East:

Pints by Ellie Carroll

The Big Welcome by Vivek Nityananda

It Takes Two by Becci Sharrock

Black Dark by Aimee Shields

Once a Dunstoner, Always a Dunstoner by Holly Readshaw

Through The Hurricane by Nick Tennant

Networking by Catherine O'Neill

Live Theatre Bursaries – 95 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 five Seed Bursaries were awarded, thirteen in total and three more than originally planned.

Open Script Submissions - 282 script submissions were received during the open window. All were read and feedback given.

Introduction to Playwrighting Course – We received 64 applications for the Live Playwrighting 10 weeks, and 21 participated in the course which was a hybrid version of part in-person, and part online delivery.

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. We continued with the online delivery until Summer 2021 reopening for in person sessions for the new academic year of 2021/22. We did continue to offer online sessions for one group in the first term but found young people wanted to reconnect in person.

We continued to offer Live Tales sessions online as we found schools were more reluctant to plan out of school activities as well as open our Creative Writing centres back up for in-person sessions in Newcastle and Sunderland.

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 and when able we have instigated in person sessions, it has meant when we were back to delivering in-person Live Tales sessions the volunteers were fully training and engaged.

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

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 2021/22 financial year group unrestricted reserves had been increased in line with forecasts due primarily to accessing the Job Retention Scheme, Cultural Recovery Fund and balancing all of our income streams and charitable activities of Live Theatre.

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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. In addition, we pay all members of staff (including casual) at least the National Living Wage.

We have continued to invest in the estate and 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. .

At the end of the 2021/22 financial year the group ended with a net deficit of £10,192 to unrestricted funds. We made £76,620 of repayments against our Newcastle City Council capital loan. Over £500,000 of income was derived from Live Theatre's social enterprises.

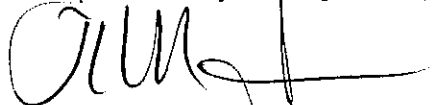
Future Plans

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 is substantially complete and has resulted 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 by our creative team led and influenced by 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.



Jacquil Kell and Jack McNamara
Joint Chief Executives

Date: 28th November 2022

NORTH EAST THEATRE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

TO THE MEMBERS OF NORTH EAST THEATRE TRUST LIMITED

The trustees present their report and accounts for the year ended 31 March 2022.

The board of trustees are satisfied with the performance of the group and charity during another difficult year and at 31 March 2022 we 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. The Team at Live Theatre continues to go above and beyond expectations in developing new work, promoting opportunities, supporting the sector and looking after the estate. They have been supported throughout the year by my fellow trustees who have given up an enormous amount of time and energy to support the work and provide strong governance in uncertain times.

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 2021/22, the charity aimed for:

Short term

The immediate goals were:

- to regroup and recover from the Covid-19 pandemic
- 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;

Mid to long term

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

- 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;

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

TO THE MEMBERS OF NORTH EAST THEATRE TRUST LIMITED

- working with current partners and developing new ones;
- maintaining the buildings owned by Live Theatre in good working order.

We continue to review our priorities under a new leadership team adjusting as needs be. Audience numbers have not yet returned to pre-pandemic levels however a well performing social enterprise portfolio with 97% occupancy has helped balance these challenges. We also benefited from an extension year of NPO funding whilst also developing plans for a new three-year programme.

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 Joint Chief Executive's report where they sets out the specifics of the 2021/22 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. We have also introduced a Pay it Forward scheme. 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;

A 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 more limited than pre-pandemic, creative based sessions to engage with our volunteers happened early in the year before in-person volunteering was active again.

Achievements and performance

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

- 13 plays produced
- 85 creatives engaged in producing these staged shows
- 536 playwrights engaged in our creative opportunities programmes
- 282 scripts submitted to our open submission programme
- 95 Bursary submissions
- 13 Bursaries awarded
- 21 artists took part in online scriptwriting course
- 86 days of R&D space provided to 235 creative freelancers with an in-kind cost of £61,340
- 16 freelance theatre facilitators employed through the CYP programme overall
- 125 young people involved weekly Youth Theatre
- 2,029 school children worked with through Live Tales

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Fundraising activities

In 2021/22 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)	£638,255
Garfield Weston Foundation	£249,000
Esmée Fairbairn Foundation	£50,000
John Ellerman Foundation	£30,000
Sir James Knott Trust	£5,000
The Lucy Winkell Fund at Community Foundation	£1,248

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 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. 2021/22 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 £9,345,243, which includes £7,981,390 of restricted funds, £30,000 of designated funds and £1,333,853 of unrestricted funds. Of these unrestricted funds £6,493,695 are held in fixed assets and investment properties, with an associated long-term loan of £5,730,694. Therefore, our free reserves (being those not tied up in fixed assets, designated or restricted funds) stand at £570,852 as at 31 March 2022. 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.

As explained on page 1, the year ended 31 March 2022 has continued to be impacted operationally by Covid-19. It has also been a challenging year financially for our sector and stakeholders. The free reserves position at 31 March 2023, is expected to decrease to c.£500k, this is due primarily to escalating energy costs and lower audience numbers early in the 2022/23 season. The availability of free reserves will support a challenging 2022/23 as Live Theatre and the sector seeks to rebuild confidence and audiences. 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 £638,255. This was 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.

Corporate sponsorship was received from Green Energy Consulting. The growing Friends Scheme has generated £8,210.

NORTH EAST THEATRE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

TO THE MEMBERS OF NORTH EAST THEATRE TRUST LIMITED

The Group Statement of Financial Activities shows net outgoing resources for the year of unrestricted funds of £429,396 (2021: incoming resources £706,320), and net realised incoming resources of restricted funds of £761,404 (2021: net realised incoming resources of £24,967), making net overall realised incoming resources of £332,008 (2021: net overall realised incoming resources of £731,017).

The total reserves at the year end stand at £9,345,243 (2021: £9,013,235).

Financial performance of the charity's subsidiary undertakings

Live Trading Limited generated profits of £289,445 (2021: £125,997) for the financial year. The profits for 2022 were gifted to the charity at the year end £289,445 (2021: £125,997).

LiveWorks (Newcastle upon Tyne) Limited had generated a profit of £334,451 in which £175,000 revaluation gain was recognised (2021: £79,245). £159,451 (2021: £79,245) 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, company infection during show run, 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.

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. The Executive Team succession plan is now complete with the successful appointment in December 2020 of Jacqui Kell as Executive Director & Joint Chief Executive and in April 2021 of Jack McNamara as Artistic Director & Joint Chief Executive.

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.

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 September 2021, 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.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

TO THE MEMBERS OF NORTH EAST THEATRE TRUST LIMITED

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 May 2021 who started work with Live Theatre in August 2021.

Senior staff (key management personnel) to whom the Board of Trustees delegated the day to day management of the charity during 2021/22 year were:

Executive Director/Joint Chief Executive	-	Jacqui Kell
Artistic Director/Joint Chief Executive	-	Jack McNamara

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

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
J Kell

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 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.

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).

NORTH EAST THEATRE TRUST LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

TO THE MEMBERS OF NORTH EAST THEATRE TRUST LIMITED

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.

A word from the Chair of Trustees

This year, I as I did last year, I pick up the required reporting language of the annual report and accounts, and confirm that the Board is satisfied with performance. Again this is something of an understatement. This year we emerged from lockdown to incredible difficult trading and operating conditions for all of the sector. Despite this the team has pulled together to deliver a creative programme that was rooted in our values and supported new and emerging writers as well as offering our returning audiences strong, local stories that entertained and challenged perceptions. I want to thank the staff team, on behalf of the board, for their hard work, resilience and good humour during difficult times.

Finally, I would like to thank my fellow trustees who have offered me, the Executive team and the staff team continued support during this year and have dedicated many hours of time guiding the group through another difficult year. I look forward to working with them further in 2022/23.

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


K L Winkell
Trustee

Date: 28th November 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 2022 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 2022 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.

S.D. 

.....
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: 28/11/2022

NORTH EAST THEATRE TRUST LIMITED

GROUP STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

Current financial year

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2022 £	Total 2021 £
Income from:						
Donations and legacies	3	958,044	-	468,943	1,426,987	2,089,144
Charitable activities	4	114,480	-	-	114,480	36,602
Other trading income	5	44,800	-	-	44,800	4,234
Investments	6	717,904	-	-	717,904	503,221
Other income		39,732	-	-	39,732	250
Total Income		1,874,960	-	468,943	2,343,903	2,633,451
Expenditure on:						
Raising funds	7	270,906	-	-	270,906	239,660
Charitable activities	8	1,741,356	-	42,539	1,783,895	1,355,519
Other	14	292,094	-	-	292,094	307,255
Total resources expended		2,304,356	-	42,539	2,346,895	1,902,434
Net gains on investments	13	-	-	335,000	335,000	-
Net (outgoing)/incoming resources before transfers		(429,396)	-	761,404	332,008	731,017
Gross transfers between funds	23	419,204	-	(419,204)	-	-
Net income/(expenditure) for the year/ Net movement in funds		(10,192)	-	342,200	332,008	731,017
Fund balances at 1 April 2021	23	1,344,045	30,000	7,639,190	9,013,235	8,282,218
Fund balances at 31 March 2022	23	1,333,853	30,000	7,981,390	9,345,243	9,013,235

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 2022

Prior 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 outgoing 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 BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	16		5,916,715		5,946,940
Investment properties	15		8,485,000		8,150,000
			<u>14,401,715</u>		<u>14,096,940</u>
Current assets					
Stock		3,377		1,850	
Debtors	19	591,873		497,938	
Cash at bank and in hand		678,776		1,062,782	
			<u>1,274,026</u>	<u>1,562,570</u>	
Creditors: amounts falling due within one year	21	(599,804)		(906,645)	
Net current assets			<u>674,222</u>	<u>655,925</u>	
Total assets less current liabilities			<u>15,075,937</u>	<u>14,752,865</u>	
Creditors: amounts falling due after more than one year	22		(5,730,694)	(5,739,630)	
Net assets			<u>9,345,243</u>	<u>9,013,235</u>	
Income funds	23				
Restricted funds			7,608,215	7,601,015	
Restricted funds – Fair value reserve			373,175	38,175	
Unrestricted designated funds			30,000	30,000	
Unrestricted general funds			1,333,853	1,344,045	
			<u>9,345,243</u>	<u>9,013,235</u>	

The accounts were approved by the Board of Trustees and authorised for issue on 28/11/2022 and are signed on their behalf by;


J R McKinnell
 Trustee


K L Winkell
 Trustee

Company Registration No. 01697756

NORTH EAST THEATRE TRUST LIMITED

COMPANY BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	16	5,916,715		5,946,940	
Investment properties	15	4,485,000		4,325,000	
Investments			11		11
			<u>10,401,726</u>		<u>10,271,951</u>
Current assets					
Debtors	19	5,027,885		4,864,169	
Cash at bank and in hand		345,807		743,904	
			<u>5,373,692</u>		<u>5,608,073</u>
Creditors: amounts falling due within one year	21	<u>(462,268)</u>		<u>(714,946)</u>	
Net current assets			<u>4,911,424</u>		<u>4,893,127</u>
Total assets less current liabilities			<u>15,313,150</u>		<u>15,165,078</u>
Creditors: amounts falling due after more than one year	22		<u>(5,730,694)</u>		<u>(5,739,630)</u>
Net assets			<u>9,582,456</u>		<u>9,425,448</u>
Income funds					
Restricted funds			7,608,215		7,601,015
Restricted funds – Fair value reserve			610,388		450,388
Unrestricted designated funds			30,000		30,000
Unrestricted general funds			1,333,853		1,344,045
			<u>9,582,456</u>		<u>9,425,448</u>

The accounts were approved by the Board of Trustees and authorised for issue on 28/11/2022 and are signed on their behalf by;



J R McKinnell
Trustee



K L Winkell
Trustee

Company Registration No. 01697756

NORTH EAST THEATRE TRUST LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	£	2022 £	£	2021 £
Cash flows from operating activities					
Cash generated from operations	29		77,847		928,914
Investing activities					
Purchase of tangible fixed assets		(385,233)		(99,994)	
Interest received		-		97	
Net cash used in investing activities			(385,233)		(99,897)
Financing activities					
Repayment of bank loans		(76,620)		(4,629)	
Net cash used in financing activities			(76,620)		(4,629)
Net increase/(decrease) in cash and cash equivalents			(384,006)		824,388
Cash and cash equivalents at beginning of year			1,062,782		238,394
Cash and cash equivalents at end of year			678,776		1,062,782

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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

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

1.3 Charitable funds

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 2022

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 2022

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.

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 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 2022

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 2022

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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Assessing Indicators of Impairment

In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions and experience of recoverability.

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Key sources of estimation uncertainty

Determining residual values and useful economic lives of tangible fixed assets

The charity depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by trustees when determining the residual values for tangible fixed assets. When determining the residual value trustees aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

Valuation of Investment property

As described in note 15 to the financial statements, the investment property is stated at fair value based on the valuation performed by an independent professional valuer, Knight Frank chartered surveyors, with recent experience in the location and category of property valued. The valuer used observable market prices adjusted as necessary for any difference in the future, location or condition of the property

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Donations and gifts	4,154	-	4,154	2,980
Grants receivable	942,080	468,943	1,411,023	2,069,514
Sponsorship	11,810	-	11,810	16,650
	<u>958,044</u>	<u>468,943</u>	<u>1,426,987</u>	<u>2,089,144</u>
For the year ended 31 March 2021	<u>2,064,447</u>	<u>24,697</u>		<u>2,089,144</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 2022 the group claimed £145,071 (2021: £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 £38,667 (2021: £139,278).

4 Charitable activities

	Theatre activities £	Education and participation £	Total 2022 £	Total 2021 £
Charitable income	85,814	28,666	114,480	36,602
Analysis by fund				
Unrestricted funds	<u>85,814</u>	<u>28,666</u>	<u>114,480</u>	
For the year ended 31 March 2021				
Unrestricted funds	<u>13,602</u>	<u>23,000</u>		<u>36,602</u>

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

5 Other trading income

	Unrestricted funds £	Total 2022 £	Total 2021 £
Bar takes	35,710	35,710	-
Bar and buffet income	1,234	1,234	-
Venue hire	7,856	7,856	4,234
	<u>44,800</u>	<u>44,800</u>	<u>4,234</u>
For the year ended 31 March 2021	<u>4,234</u>		<u>4,234</u>

6 Investment income

	Unrestricted funds £	Total 2022 £	Total 2021 £
Rental income	717,904	717,904	503,124
Bank interest receivable	-	-	97
	<u>717,904</u>	<u>717,904</u>	<u>503,221</u>
For the year ended 31 March 2021	<u>503,221</u>		<u>503,221</u>

7 Raising funds

	2022 £	2021 £
<u>Fundraising</u>		
Support costs	32,325	45,004
	<u>44,500</u>	<u>44,863</u>
<u>Marketing and publicity</u>		
Support costs	44,500	44,863
	<u>188,568</u>	<u>144,767</u>
<u>Trading costs</u>		
Commercial trading operations	188,568	144,767
Governance cost	5,513	5,026
	<u>194,081</u>	<u>149,793</u>
	<u>270,906</u>	<u>239,660</u>

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Charitable activities

	Theatre activities	Education and participation	Total 2022	Total 2021
	£	£	£	£
Production costs	316,414	-	316,414	114,215
Education and participation expenses	-	69,284	69,284	23,966
Cleaning	23,113	20,224	43,337	5,941
IT support costs	42,940	7,671	50,611	36,113
Insurance	23,850	20,869	44,719	39,304
Licences	4,534	-	4,534	1,841
Light and heat	33,859	29,628	63,487	33,322
Printing, postage and stationery	2,293	2,007	4,300	1,239
Repairs and maintenance	37,961	33,216	71,177	31,891
Rent, rates and water	33,544	29,351	62,895	60,353
Subscriptions	2,601	2,276	4,877	4,593
Telephone and fax	2,822	2,470	5,292	8,453
Sundries	1,727	1,511	3,238	2,060
	<u>525,658</u>	<u>218,507</u>	<u>744,165</u>	<u>363,291</u>
Share of support costs (see note 9)	772,528	258,088	1,030,616	988,328
Share of governance costs (see note 9)	6,832	2,282	9,114	3,900
	<u>1,305,018</u>	<u>478,877</u>	<u>1,783,895</u>	<u>1,355,519</u>
Analysis by fund				
Unrestricted funds	1,299,078	442,278	1,741,356	
Restricted funds	5,940	36,599	42,539	
	<u>1,305,018</u>	<u>478,877</u>	<u>1,783,895</u>	
For the year ended 31 March 2021				
Unrestricted funds	772,932	582,587		1,355,519
	<u>772,932</u>	<u>582,587</u>		<u>1,355,519</u>

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9 Support costs

	Support costs	Governance costs	2022	2021
	£	£	£	£
Employment costs	533,227	-	533,227	598,221
Other staff costs	6,705	-	6,705	21,275
Depreciation	415,458	-	415,458	372,702
Marketing and publicity	19,992	-	19,992	14,431
Premises	94,363	-	94,363	56,418
General administrative expenses	37,696	-	37,696	15,148
Audit fees	-	2,600	2,600	2,600
Accountancy	-	5,900	5,900	1,300
Trustees' expenses	-	614	614	-
	<u>1,107,441</u>	<u>9,114</u>	<u>1,116,555</u>	<u>1,082,095</u>
Analysed between				
Fundraising	76,825	-	76,825	89,867
Charitable activities	1,030,616	9,114	1,039,730	992,228
	<u>1,107,441</u>	<u>9,114</u>	<u>1,116,555</u>	<u>1,082,095</u>

10 Net movement in funds

	2022	2021
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor		
- Audit fees	2,600	2,600
- Non audit fees	5,900	1,300
Depreciation of owned tangible fixed assets	415,458	372,702
Operating lease charges	82,725	79,265

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

11 Trustees

	2022 £	2021 £
<i>The amount of travel expenses paid to trustees was:</i>		
J P Beirne	-	-
J A Kell	<u>362</u>	<u>-</u>
<i>Remuneration payable to trustees or connected persons:</i>		
J P Beirne	-	60,947
J A Kell	<u>55,000</u>	<u>-</u>
<i>Employer's National Insurance contributions on above remuneration:</i>		
J P Beirne	-	7,197
J A Kell	<u>6,369</u>	<u>-</u>
<i>Pension contributions relating to trustees or connected persons:</i>		
J P Beirne	-	1,828
J A Kell	<u>1,650</u>	<u>-</u>

J A Kell is a member of the charity's defined contribution scheme. She contributed 3% of salary to the scheme and the charity contributed 3% of salary. J P Beirne was a member of the scheme until his resignation as a trustee on 31 March 2021.

No other trustees received any remuneration during the year or in the previous year.

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 2022

12 Employees

Number of employees

The average monthly number employees during the year was:

	2022 Number	2021 Number
Charitable activities	15	14
Publicity activities	2	2
Fundraising activities	2	2
Management and administration	6	5
	<hr/> 25	<hr/> 23

Employment costs

	2022 £	2021 £
Wages and salaries	599,412	644,786
Social security costs	47,032	49,663
Other pension costs	21,883	17,007
	<hr/> 668,327	<hr/> 711,456

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

	2022 Number	2021 Number
£60,000 - £69,999	<hr/> -	<hr/> 1

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13 Net gains/(losses) on investments

	2022 £	2021 £
Fair value gain on investment properties	335,000	-

14 Other expenditure

	2022 £	2021 £
Financing costs	292,094	307,255

15 Investment property - group

	2022 £
Fair value	
At 1 April 2021	8,150,000
Fair value adjustment	335,000
At 31 March 2022	8,485,000

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 February 2022, 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

	2022 £
Fair value	
At 1 April 2021	4,325,000
Fair value adjustment	160,000
At 31 March 2022	4,485,000

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 February 2022, 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.

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Tangible fixed assets - group

	Freehold land and buildings	Leasehold land and buildings	Plant and machinery	Total
	£	£	£	£
Cost				
At 1 April 2021	3,294,615	7,435,182	599,358	11,329,155
Additions	-	385,233	-	385,233
At 31 March 2022	3,294,615	7,820,415	599,358	11,714,388
Depreciation and impairment				
At 1 April 2021	90,091	4,870,881	421,243	5,382,215
Depreciation charged in the year	17,947	352,767	44,744	415,458
At 31 March 2022	108,038	5,223,648	465,987	5,797,673
Carrying amount				
At 31 March 2022	3,186,577	2,596,767	133,371	5,916,715
At 31 March 2021	3,204,524	2,564,301	178,115	5,946,940

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 2022

16 Tangible fixed assets (continued) - company

	Freehold land and buildings	Leasehold land and buildings	Plant and machinery	Total
	£	£	£	£
Cost				
At 1 April 2021	3,294,615	7,435,182	599,358	11,329,155
Additions	-	385,233	-	385,233
At 31 March 2022	3,294,615	7,820,415	599,358	11,714,388
Depreciation and impairment				
At 1 April 2021	90,091	4,870,881	421,243	5,382,215
Depreciation charged in the year	17,947	352,767	44,744	415,458
At 31 March 2022	108,038	5,223,648	465,987	5,797,673
Carrying amount				
At 31 March 2022	3,186,577	2,596,767	133,371	5,916,715
At 31 March 2021	3,204,524	2,564,301	178,115	5,946,940

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 as well as holding investment properties to earn rentals, 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 that holds an investment property to earn rentals.

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

17 Subsidiary undertakings included within the group accounts (continued)

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

	2022 £	2021 £
LiveWorks (Newcastle upon Tyne) Limited		
Aggregate amount of assets	4,477,702	4,002,318
Aggregate amount of liabilities and provisions	<u>(4,714,905)</u>	<u>(4,414,521)</u>
Aggregate amount of net liabilities	<u>(237,203)</u>	<u>(412,203)</u>
<i>Profit and loss</i>		
Turnover (net of VAT)	314,554	233,747
Expenses (net of VAT)	(155,103)	(154,502)
Other gains	<u>175,000</u>	<u>-</u>
Net profit /(loss)	334,451	79,245
Payments made to holding company	<u>(159,451)</u>	<u>(79,245)</u>
Net profit/(loss) after donations	<u>175,000</u>	<u>-</u>
Live Trading Limited		
Aggregate amount of assets	228,006	328,670
Aggregate amount of liabilities and provisions	<u>(228,005)</u>	<u>(328,669)</u>
Aggregate amount of funds	<u>1</u>	<u>1</u>
<i>Profit and loss</i>		
Turnover (net of VAT)	448,150	273,611
Expenses (net of VAT)	(191,302)	(147,614)
Other operating income (net of VAT)	<u>32,597</u>	<u>-</u>
Net profit	289,445	125,997
Payments made to holding company	<u>(289,445)</u>	<u>(125,997)</u>
Net profit/(loss) after donations	<u>-</u>	<u>-</u>

18 Financial instruments

	Group £	2022 Company £	Group £	2021 Company £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	<u>7,664</u>	<u>4,797,167</u>	<u>75,889</u>	<u>4,577,841</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>6,277,527</u>	<u>6,139,989</u>	<u>6,644,756</u>	<u>6,453,057</u>

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

19 Debtors

	Group £	2022 Company £	Group £	2021 Company £
Amounts falling due within one year:				
Trade debtors	7,664	-	75,889	26,349
Amounts due from subsidiary undertakings	-	4,797,167	-	4,551,492
Prepayments and accrued income	<u>584,209</u>	<u>230,718</u>	<u>422,049</u>	<u>286,328</u>
	<u>591,873</u>	<u>5,027,885</u>	<u>497,938</u>	<u>4,864,169</u>

20 Loans and overdrafts

	Group £	2022 Company £	Group £	2021 Company £
Other loans	<u>5,761,390</u>	<u>5,761,390</u>	<u>5,838,010</u>	<u>5,838,010</u>
Payable within one year	30,696	30,696	98,380	98,380
Payable after one year	<u>5,730,694</u>	<u>5,730,694</u>	<u>5,739,630</u>	<u>5,739,630</u>

Interest rates of 5.02% and 8.08% per annum are applied to the loans, with repayments to be made over the remaining 36 years of the loan agreements. The long term loans are secured by fixed charges over the fixed assets of the charity.

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

21 Creditors: amounts falling due within one year

	Notes	Group £	2022 Company £	Group £	2021 Company £
Other loans	20	30,696	30,696	98,380	98,380
Other taxation and social security		52,972	52,972	1,519	1,519
Trade creditors		294,176	257,334	224,041	194,072
Other creditors		4,484	4,484	5,069	4,469
Accruals and deferred income		<u>217,476</u>	<u>116,782</u>	<u>577,636</u>	<u>416,5062</u>
		<u>599,804</u>	<u>462,268</u>	<u>906,645</u>	<u>714,946</u>

Deferred income is included in the financial statements as follows:

	Group £	2022 Company £	Group £	2021 Company £
Brought forward	239,164	82,939	484,582	251,151
Released in the year	(112,328)	(40,628)	(245,418)	(168,212)
Deferred in the year	<u>11,171</u>	<u>-</u>	<u>-</u>	<u>-</u>
Carried forward	<u>138,007</u>	<u>42,311</u>	<u>239,164</u>	<u>82,939</u>

Deferred income consists largely of rental income in respect of the Group's social enterprise and is released to the SOFA when the rent period for which the deferred income relates to has ended.

22 Creditors: amounts falling due after more than one year

	Notes	Group £	2022 Company £	Group £	2021 Company £
Other loans	20	<u>5,730,694</u>	<u>5,730,694</u>	<u>5,739,630</u>	<u>5,739,630</u>

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

23 Movement in funds

Current financial year

	Movement in funds					Balance at 31 March 2022 £
	Balance at 1 April 2021 £	Incoming resources £	Outgoing resources £	Transfers between funds £	Fair value gains and losses	
<u>Unrestricted funds</u>						
<i>Designated:</i>						
Capital maintenance	30,000	-	-	-	-	30,000
<i>General:</i>						
Revenue reserves	1,344,045	1,874,960	(2,304,356)	419,204	-	1,333,853
Total unrestricted funds	1,374,045	1,874,960	(2,304,356)	419,204	-	1,363,853
<u>Restricted funds</u>						
Capital redevelopment fund (1995-97)	123	-	-	(18)	-	105
Capital redevelopment fund (2005-07)	1,736,113	-	-	(266,451)	-	1,469,662
Capital development (Sustain fund)	197,632	-	-	(19,763)	-	177,869
Capital development (The Schoolhouse)	615,098	-	-	(51,070)	-	564,028
Capital development (Live Works)	4,922,606	-	-	(51,643)	-	4,870,963
Capital (Live Theatre)	99,824	463,943	(7,920)	(30,259)	-	525,588
Education and Participation	29,619	5,000	(34,619)	-	-	-
Fair value reserve	38,175	-	-	-	335,000	373,175
Total restricted funds	7,639,190	468,943	(42,539)	(419,204)	335,000	7,981,390
Total funds	9,013,235	2,343,903	(2,346,895)	-	335,000	9,345,243

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

23 Movement in funds (continued)

Prior financial year

	Balance at		Movement in funds		Fair value gains and losses	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 2022

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 2022

23 Movement in funds (continued)

Education and Participation

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

Samares Investments Limited	£5,000
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Capital (Live Theatre)

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

Arts Council – Fit for 50	£298,918
Arts Council – Kickstart Fund	£84,935
T&F - The Foyle Foundation	£20,000
UHY Hacker Young Wolfson Foundation (fit for 50)	£50,000
NCC - Baltic Chambers	£10,090

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	£18
The 2005-07 Capital Redevelopment fund	£266,451
The 2010-11 Sustain fund	£19,763
The School House fund	£51,070
Live Works	£51,643
Live Theatre	£30,259

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	1,748,512	-	4,168,203	-	5,916,715
Investment property	4,745,183	-	3,366,642	373,175	8,485,000
Current assets	570,852	30,000	73,370	-	674,222
Long term liabilities	(5,730,694)	-	-	-	(5,730,694)
	<u>1,333,853</u>	<u>30,000</u>	<u>7,608,215</u>	<u>373,175</u>	<u>9,345,243</u>

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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 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	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>

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 charity has received donations from both its subsidiaries, £159,451 was received from Liveworks (Newcastle upon Tyne) Ltd (2021: £79,245), and £289,445 was received from Live Trading Limited (2021: £125,997).

Live Trading Limited, a subsidiary, was recharged wages and salary costs by North East Theatre Trust Limited, and totalled £128,327 (2021: £112,776).

At the year end the charity was due a balance of £4,704,700 from Liveworks (Newcastle upon Tyne) Ltd (2021: £4,403,812), on which interest of £152,324 was charged (2021: £152,324). The charity was also owed a balance of £92,467 from Live Trading Limited (2021: £147,680), on which no interest was charged.

During the year the charity received £1,248 from the Lucy Winkell Fund at Community Foundation Serving Tyne & Wear and Northumberland. Lucy Winkell is a trustee of the charity and also of Community Foundation Serving Tyne & Wear and Northumberland.

Remuneration of key management personnel

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

	2022	2021
	£	£
Aggregate compensation	<u>90,053</u>	<u>138,344</u>

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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 2022 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 Operating lease commitments

	2022 £	2021 £
Within one year	73,000	73,000
Between two and five years	365,000	365,000
In over five years	602,250	675,250
	<u>1,040,250</u>	<u>1,113,250</u>

29 Cash generated from operations

	2022 £	2021 £
Surplus/(deficit) for the year	332,008	731,017
Adjustments for:		
Investment income recognised in profit or loss	-	(97)
Fair value gains on investment properties	(335,000)	-
Depreciation and impairment of tangible fixed assets	415,458	372,702
Movements in working capital:		
(Increase)/decrease in stock	(1,527)	138
(Increase) in debtors	(93,935)	(69,406)
Decrease in creditors	(239,157)	(105,440)
Cash generated from/(absorbed by) operations	<u>77,847</u>	<u>928,914</u>

NORTH EAST THEATRE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

30 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, after the gain on investments, shown in the Individual Statement of Financial Activities of the parent company for the year ended 31 March 2022, and included in the group accounts, is £157,008 (2021: £731,018).