

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 2023**

# NORTH EAST THEATRE TRUST LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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**Registered name** North East Theatre Trust Limited

**Trading name** Live Theatre

**Trustees** S Emmas  
M F Henry  
M F Percy  
K L H Winskell  
S Brown  
J R McKinnell  
B Hobson  
R S Cantrill-Fenwick  
P T H Shevlin  
I A Din  
R M Elgie  
J A Kell

**Charity number** 513771

**Company number** 01697756

**Registered office** 29 Broad Chare  
Quayside  
Newcastle upon Tyne  
NE1 3DQ

**Telephone** 0191 261 2694

**Auditor** Sumer Auditco Limited  
The Beehive, Beehive Ring Road  
London Gatwick Airport  
Gatwick  
United Kingdom  
RH6 0PA

**Bankers** Lloyds Bank plc  
102 Grey Street  
Newcastle upon Tyne  
NE99 1SL

Virgin Money  
131-135 Northumberland Street  
Newcastle upon Tyne  
NE1 7AG

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# **NORTH EAST THEATRE TRUST LIMITED**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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### **Solicitors**

DWF LLP  
2nd Floor  
Central Square South  
Orchard Street  
Newcastle upon Tyne  
NE1 3AZ

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# 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

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#### Introduction

The Annual Report notes in detail the activities of the charity throughout the 2022/23 financial year.

This is our second report as Joint Chief Executive's and the first full year Jack developed the artistic programme, of which there is more detail below.

Although the pandemic was over, difficult economic and social conditions persisted which put a strain on our resources as well as our audiences. Like others in the sector, we found that audiences were reticent to return in the same numbers as pre-Covid. Research showed this was primarily due to two main factors; changing habits following the national lockdowns and concerns about the cost of living. Armed with this information we considered our approach to the artistic programme and our ticket pricing. We kept ticket prices at pre-Covid levels and continued to offer concession tickets starting at £6. All of our children and young people's work and talent development activity remained free to access.

None of this would have been possible without support from our various funders and stakeholders to whom we are extremely grateful. These are set out in detail in the Chairs report.

We were delighted to find out during the year we were to continue to be an Arts Council National Portfolio Organisation for the period 2023-2026 securing essential resource to allow us to be a driving force for new writing in England.

#### Artistic Programme

The pandemic continued to influence our lives and the effects of Covid on the cultural and theatre sectors had been devastating, with the freelance and independent sector bearing the brunt. The aim of the 2022 season was to ensure every voice was heard. There was an urgency to bring people together, physically and otherwise, to reinstate our sense of community and fight against the isolation too many had faced.

We wanted to create opportunities for artists and offer our audiences a feast for the senses, the mind and the emotions. Our first main house production was *We Are The Best*, which offered a joyous burst of energy and offered rising star Rebecca Glendinning-Laycock the opportunity to write a full length, main house production. Three young, local actors were also given their professional acting debuts. The year ended with the premiere of *One-Off* an autobiographical play written by Ric Renton of his experiences in Durham Prison and how he was saved by creativity. We also produced our first play for children in a very long time. *Wintry Tales* was built on the exceptional work of our Live Tales creative writing programme for school children and was co-created with children and award winning writer Rory Malarky. Like Live Tales, *Wintry Tales* put children and young people at the heart of the creative process. *Wintry Tales* will make a return in 2023.

To enhance our programme we curated a mini-festival of radical ideas *Make Hope Possible* which explored how we can reshape society to be better, kinder and brighter. We presented Selina Thompson exhibition *Race Cards* and welcomed The Lawnmowers to perform their show *Retake, Remake*. We were also thrilled to present some inspiring visiting theatre from exceptional theatre companies like Paines Plough and Forced Entertainment.

We continue to prioritise our artist development work and it 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.

In 2022/23 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

# NORTH EAST THEATRE TRUST LIMITED

## CHIEF EXECUTIVE'S ANNUAL REPORT

### TO THE MEMBERS OF NORTH EAST THEATRE TRUST LIMITED

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**Your Voice North East** – 88 submissions were received for this short play competition and eight plays were selected and given micro-commissions, overall the project engaged 21 freelance artists of which 20 were new to Live Theatre. The following plays were produced for Your Voice North East:

*Frubes, Crème Eggs and Massive Slags* by Lydia Brickland

*The Southern Side of the Wall* by Miles Kinsley

*Do You Know Who We Are?* by Lizzie Lovejoy

*Labels* by Fleur Nixon

*Wyrn* by Nic O'Keeffe

*On The Edge* by Susannah Ronnie

*Your Future Cabaret Show* by Jenni Winter

*Tenure* by Jack Young

**Live Theatre Bursaries** – 91 applications were received for a bursary. We awarded three full bursaries to Emma Roxburgh and her theatre ensemble of six female artists called *Georgian Shore*, Reece Connolly writer of *Ghosts of Metroland* and Vivek Nityananda's *I Dream Of Teresa May*. We have also awarded two seed bursaries to Henry Lawrence and Jack Young.

**Open Script Submissions** – 67 script submissions were received during the open window. All were read and feedback given.

**Introduction to Playwriting Course** – We received 48 applications for the ten week Live Playwriting course. We offered 17 places and the other 31 were offered a one off introduction session led by writer, dramaturg and director Luke Barnes.

#### Children and Young People's Work

Our Children and Young People's work is an important component of Live Theatre's work and we have been delivering this for over 25 years now. The pandemic disproportionately affected children and young people's lives and we have found demand for our services are high especially Youth Theatre. In 2023/23 we had 163 young people aged 10-25 years attend weekly term time sessions. Feedback from parents has helped us understand the 'hidden' impact of Live Youth Theatre.

'After the chaos of the last 2 years and the disruption to the lives of all young people, I am so grateful that Live Theatre survived and that my daughter can access this wonderful opportunity. She has really struggled at times with anxiety over the last couple of years like many young people. The Youth Theatre has been a constant for her - sometimes it was challenging to keep her engaged, sometimes it felt scary for her to come, but it has also been a bit of a safe haven to be around other like-minded peers at times when school has felt really challenging. Thank you to everyone involved in keeping the Youth Theatre going in these challenging times!'

In addition to Youth Theatre we run Summer Artist in Residence (AIR) programmes. In July 2022 we delivered four residencies over two weeks, to 90 young people. Working with four regional artists these week long residencies saw young people developing their skills in Writing for Comedy, Creating a Play (which explored themes related to the environment), Film Making and Musical Theatre.

From September 2022 to March 2023 we delivered Live Tales creative writing workshops to 1,281 Key Stage 2 school children. Using the Live Tales model we also created *Wintry Tales* our first production for children in a long time. We worked with three schools and 11 homeschooled children to co-create six tales with award winning writer Rory Malarky.

During lockdown we created Playmakers to encourage children to think about writing a play script. We have started delivering this in person this year and have delivered 11 workshops with schools.

Our volunteers who support our children and young people's work are very important to us. We are working with other cultural venues on a project called 'Volunteer Futures' to better recruit and invest in training, health and well-being and have recruited 17 new volunteers to help with Live Tales and Playmakers delivery.

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## CHIEF EXECUTIVE'S ANNUAL REPORT

### TO THE MEMBERS OF NORTH EAST THEATRE TRUST LIMITED

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#### **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 2022/23 financial year group unrestricted reserves had been increased in line with forecasts due primarily to balancing all of our income streams and charitable activities of Live Theatre.

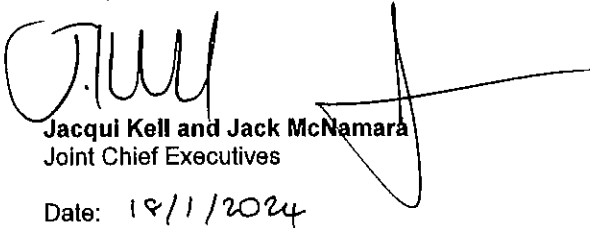
At the end of the 2022/23 financial year the group ended with a net surplus of £52,830 to unrestricted funds. We made £77,426 of repayments against our Newcastle City Council capital loan. Over £600,000 of income was derived from Live Theatre's social enterprises.

#### **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.

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 we develop our 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.

We are excited about how Live Theatre develops in the coming year and look forward to working with our staff team, board, artists and audiences to deliver our refreshed vision and mission.



**Jacqui Kell and Jack McNamara**  
Joint Chief Executives

Date: 14/1/2024

# **NORTH EAST THEATRE TRUST LIMITED**

## **TRUSTEES' REPORT**

### **TO THE MEMBERS OF NORTH EAST THEATRE TRUST LIMITED**

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The trustees present their report and accounts for the year ended 31 March 2023.

The board of trustees are satisfied with the performance of the group and charity following a year where we set out to recover from Covid and enforced lockdowns year and at 31 March 2023 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 deliver our expectations in developing new work, promoting opportunities, supporting the sector and looking after the estate but always aim to go above and beyond. As ever I am full of admiration for my fellow trustees who have given up an enormous amount of time and energy to support the work and provide strong governance to the company.

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 2022/2023 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;

# NORTH EAST THEATRE TRUST LIMITED

## TRUSTEES' REPORT

### TO THE MEMBERS OF NORTH EAST THEATRE TRUST LIMITED

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#### **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;
- 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 within the Joint Chief Executive's report where they set out the specifics of the 2022/23 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 managed income streams to ensure we have a sustainable business model with our property portfolio cross subsidising our creative activities.

# NORTH EAST THEATRE TRUST LIMITED

## TRUSTEES' REPORT

### TO THE MEMBERS OF NORTH EAST THEATRE TRUST LIMITED

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#### **Fundraising activities**

In 2022/23 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
Idlewild Trust	£5,000
The D'oyly Carte Charitable Trust	£4,000
John Ellerman Foundation	£30,000
Hadrian Trust	£1,000
Newcastle Culture Investment Fund (NCIF)	£10,000
Backstage Trust	£25,000
RFF Gibson Trust	£3,000
John D Fund at The Community Foundation	£2,963
John Horseman Trust	£5,000
Gillian Dickinson Trust	£20,000
Garrick Charitable Trust	£5,000
RW Mann Trust	£2,000
John Thaw Foundation	£1,000
Shears Foundation	£5,000
29 <sup>th</sup> May 1961 Charitable Trust	£5,000
Esmée Fairbairn Foundation (TASK Grant)	£7,500
Lucy Winskell Fund at the Community Foundation	£825
Catherine Cookson Charitable Trust	£21,000

The challenging financial conditions for the sector have been an enduring feature of the year. Live Theatre has been supported by many and thanks are given by the Trustees to those partners, stakeholders, trusts and foundations that have given their unwavering support.

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.

#### **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 £8,995,161 which includes £7,578,478 of restricted funds, £30,000 of designated funds and £1,386,683 of unrestricted funds. Of these unrestricted funds £6,506,683 are held in fixed assets and investment properties, with an associated long-term loan of £5,652,249. Therefore, our free reserves (being those not tied up in fixed assets, designated or restricted funds) stand at £532,249 as at 31 March 2023. The Trustees have a policy in place which notes that the group should aim to hold building overhead and salary costs for a period of three months within free reserves.

The free reserves position at 31 March 2024, is expected to increase to circa £550,000, supporting the longer term strategy explained above. The Trustees are pleased to note the improved position on free reserves which will support our long term vision. 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.

# NORTH EAST THEATRE TRUST LIMITED

## TRUSTEES' REPORT

### TO THE MEMBERS OF NORTH EAST THEATRE TRUST LIMITED

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

The Group Statement of Financial Activities shows net outgoing resources for the year of unrestricted funds of £369,591 (2022: outgoing resources £429,396), and net realised incoming resources of restricted funds of £19,509 (2022: net realised incoming resources of £761,404), making net overall realised outgoing resources of £350,082 (2022: net overall realised incoming resources of £332,008).

The total reserves at the year end stand at £8,995,161 (2022: £9,345,243).

#### ***Financial performance of the charity's subsidiary undertakings***

Live Trading Limited generated profits of £637,617 (2022: £289,445) for the financial year. The profits for 2023 were gifted to the charity at the year end £637,617 (2022: £289,445).

LiveWorks (Newcastle upon Tyne) Limited had generated a profit of £39,093 (2022: £334,451 in which £412,213 revaluation loss was recognised). £39,093 (2022: £159,451) 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:

#### ***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 weekly basis and a cash flow is forecast forward on a monthly 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.

#### **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 quarterly – 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.

# NORTH EAST THEATRE TRUST LIMITED

## TRUSTEES' REPORT

### TO THE MEMBERS OF NORTH EAST THEATRE TRUST LIMITED

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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. A recruitment campaign for new trustees is planned for 2023/24

Senior staff (key management personnel) to whom the Board of Trustees delegated the day to day management of the charity during 2022/23 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 (resigned 28 November 2022)  
K L H Winskell  
S Brown  
J R McKinnell  
B Hobson  
L Robson (resigned 28 November 2022)  
R S Cantrill-Ferwick  
P T H Shevlin  
I A Din  
R M Elgie  
J A 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).

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.

# **NORTH EAST THEATRE TRUST LIMITED**

## **TRUSTEES' REPORT**

### **TO THE MEMBERS OF NORTH EAST THEATRE TRUST LIMITED**

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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. Sumer Auditco Limited were appointed auditor to the Group and parent company by the directors following the transfer to it of the audit client base of RMT Accountants and Business Advisors Ltd in April 2023. In accordance with section 485 of the Companies Act 2006, a resolution to confirm the re-appointment of Sumer Auditco Limited, as auditors of the Group and parent company will be proposed at the forthcoming Annual General Meeting.

#### **Disclosure of information to auditor**

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

# NORTH EAST THEATRE TRUST LIMITED

## TRUSTEES' REPORT

### TO THE MEMBERS OF NORTH EAST THEATRE TRUST LIMITED

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#### **A word from the Chair of Trustees**

As I do every year as Chair of the Board of Trustees, 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. Despite difficulties in the sector, we were forthright and brave in our approach to overcoming the difficulties of a post-Covid world. Jack has put down his stamp on the artistic programme and we celebrated being together again many times throughout the year. I am though, as ever, hugely appreciative of everybody's efforts that allow this to happen – our customer service and box office team offer excellent service throughout, the Operations Team work behind the scenes to ensure the cogs keep turning, the children and young people's team have stepped up even further, recognising the impact the pandemic has had on young people's lives, and our creative and technical team continue to deliver the most professional and high quality experience imaginable. I want to thank the staff team, on behalf of the board, for their hard work, resilience and good humour during this time.

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. I value their judgement, counsel and humour enormously. Susan Wilson has stepped down as a trustee after many years valuable service, she will be missed for her insight, enthusiasm and wisdom, but I have no doubt we will see her regularly as a Best Friend of Live Theatre. After our 50<sup>th</sup> anniversary year, I will step down as Chair and hand the reigns over, but I'd like to place on record how immensely proud I am to be involved in Live Theatre and to have been trusted with its leadership during the trickiest of times. I have had the privilege of working with the most talented people - our staff past and present, our trustees, again past and present, engaging with our supporters, seeing the outstanding work of actors, writers' musicians, technicians, the list goes on. I've loved spending time getting to know our audiences, and sharing ideas and reactions to the work. Particularly rewarding has been the positive impact we have had on sometimes very young peoples' lives. I have learnt from you all, thank you. I have no doubt that having emerged successfully Live Theatre will go from strength to strength putting the voices of the north east centre stage and amplifying them locally, regionally, nationally and hopefully, once again, internationally.

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

  
K L Winkell LL OBE  
Trustee

Date: 18/11/2024

# **NORTH EAST THEATRE TRUST LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF NORTH EAST THEATRE TRUST LIMITED**

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#### **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 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (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**

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#### **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

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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 company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Stephen Slater (Senior Statutory Auditor)**  
for and on behalf of Sumer Auditco Limited  
Statutory Auditor  
The Beehive, Beehive Ring Road  
Gatwick  
RH6 0PA

Dated: 29/1/24

# NORTH EAST THEATRE TRUST LIMITED

## GROUP STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

### Current financial year

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2023 £	Total 2022 £
<b>Income from:</b>						
Donations and legacies	3	677,264	-	175,142	852,406	1,426,987
Charitable activities	4	187,932	-	-	187,932	114,480
Other trading income	5	77,925	-	-	77,925	44,800
Investments	6	832,131	-	-	832,131	717,904
Other income		220,140	-	-	220,140	39,732
<b>Total income</b>		<b>1,995,392</b>	<b>-</b>	<b>175,142</b>	<b>2,170,534</b>	<b>2,343,903</b>
<b>Expenditure on:</b>						
Raising funds	7	265,697	-	-	265,697	270,906
Charitable activities	8	1,797,166	-	155,633	1,952,799	1,783,895
Other	14	302,120	-	-	302,120	292,094
<b>Total resources expended</b>		<b>2,364,983</b>	<b>-</b>	<b>155,633</b>	<b>2,520,616</b>	<b>2,346,895</b>
Net gains on investments	13	-	-	-	-	335,000
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(369,591)</b>	<b>-</b>	<b>19,509</b>	<b>(350,082)</b>	<b>332,008</b>
Gross transfers between funds	23	422,421	-	(422,421)	-	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>52,830</b>	<b>-</b>	<b>(402,912)</b>	<b>(350,082)</b>	<b>332,008</b>
Fund balances at 1 April 2022	23	1,333,853	30,000	7,981,390	9,345,243	9,013,235
<b>Fund balances at 31 March 2023</b>	<b>23</b>	<b>1,386,683</b>	<b>30,000</b>	<b>7,578,478</b>	<b>8,995,161</b>	<b>9,345,243</b>

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 2023

### Prior financial year

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2022 £	Total 2021 £
<b>Income from:</b>						
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
<b>Total income</b>		<b>1,874,960</b>	<b>-</b>	<b>468,943</b>	<b>2,343,903</b>	<b>2,633,451</b>
<b>Expenditure on:</b>						
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
<b>Total resources expended</b>		<b>2,304,356</b>	<b>-</b>	<b>42,539</b>	<b>2,346,895</b>	<b>1,902,434</b>
Net gains on investments	13	-	-	335,000	335,000	-
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(429,396)</b>	<b>-</b>	<b>761,404</b>	<b>332,008</b>	<b>731,017</b>
Gross transfers between funds	23	419,204	-	(419,204)	-	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>(10,192)</b>	<b>-</b>	<b>342,200</b>	<b>332,008</b>	<b>731,017</b>
Fund balances at 1 April 2021	23	1,344,045	30,000	7,639,190	9,013,235	8,282,218
<b>Fund balances at 31 March 2022</b>	<b>23</b>	<b>1,333,853</b>	<b>30,000</b>	<b>7,981,390</b>	<b>9,345,243</b>	<b>9,013,235</b>

# NORTH EAST THEATRE TRUST LIMITED

## GROUP BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	16		5,579,161		5,916,715
Investment properties	15		8,485,000		8,485,000
			<u>14,064,161</u>		<u>14,401,715</u>
<b>Current assets</b>					
Stock		2,945		3,377	
Debtors	19	1,026,282		591,873	
Cash at bank and in hand		182,860		678,776	
			<u>1,212,087</u>	<u>1,274,026</u>	
<b>Creditors: amounts falling due within one year</b>	21	(628,838)		(599,804)	
Net current assets			<u>583,249</u>		<u>674,222</u>
<b>Total assets less current liabilities</b>			<u>14,647,410</u>		<u>15,075,937</u>
<b>Creditors: amounts falling due after more than one year</b>	22		(5,652,249)		(5,730,694)
<b>Net assets</b>			<u>8,995,161</u>		<u>9,345,243</u>
<b>Income funds</b>	23				
Restricted funds			7,205,303		7,608,215
Restricted funds – Fair value reserve			373,175		373,175
Unrestricted designated funds			30,000		30,000
Unrestricted general funds			1,386,683		1,333,853
			<u>8,995,161</u>		<u>9,345,243</u>

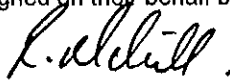
# NORTH EAST THEATRE TRUST LIMITED

## GROUP BALANCE SHEET

AS AT 31 MARCH 2023

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The accounts were approved by the Board of Trustees and authorised for issue on 18/1/2024 and are signed on their behalf by;

  
J R McKinnell  
Trustee

  
K L Winskell  
Trustee

Company Registration No. 01697756

# NORTH EAST THEATRE TRUST LIMITED

## COMPANY BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	16		5,579,161		5,916,715
Investment properties	15		4,485,000		4,485,000
Investments			11		11
			<u>10,064,172</u>		<u>10,401,726</u>
<b>Current assets</b>					
Debtors	19	5,180,873		5,027,885	
Cash at bank and in hand		94,208		345,807	
			<u>5,275,081</u>		<u>5,373,692</u>
<b>Creditors: amounts falling due within one year</b>	21	(454,630)		(462,268)	
Net current assets			<u>4,820,451</u>		<u>4,911,424</u>
<b>Total assets less current liabilities</b>			<u>14,884,623</u>		<u>15,313,150</u>
<b>Creditors: amounts falling due after more than one year</b>	22		(5,652,249)		(5,730,694)
<b>Net assets</b>			<u>9,232,374</u>		<u>9,582,456</u>
<b>Income funds</b>					
Restricted funds			7,205,303		7,608,215
Restricted funds – Fair value reserve			610,388		610,388
Unrestricted designated funds			30,000		30,000
Unrestricted general funds			1,386,683		1,333,853
			<u>9,232,374</u>		<u>9,582,456</u>

# NORTH EAST THEATRE TRUST LIMITED

## COMPANY BALANCE SHEET

AS AT 31 MARCH 2023


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The accounts were approved by the Board of Trustees and authorised for issue on 18/1/2024 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 2023

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	Notes	£	2023 £	2022 £
<b>Cash flows from operating activities</b>				
Cash absorbed by operations	29		(340,388)	77,847
<b>Investing activities</b>				
Purchase of tangible fixed assets		(78,102)	(385,233)	
Interest received		-	-	
<b>Net cash used in investing activities</b>			<u>(78,102)</u>	<u>(385,233)</u>
<b>Financing activities</b>				
Repayment of bank loans		(77,426)	(76,620)	
<b>Net cash used in financing activities</b>			<u>(77,426)</u>	<u>(76,620)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>			<u>(495,916)</u>	<u>(384,006)</u>
Cash and cash equivalents at beginning of year			<u>678,776</u>	<u>1,062,782</u>
<b>Cash and cash equivalents at end of year</b>			<u>182,860</u>	<u>678,776</u>

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# NORTH EAST THEATRE TRUST LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 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

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

#### 1.2 Going concern

The group and charity is dependent upon continuing grant aid from a number of sources as well as trading surpluses from our social enterprises. The trustees are aware that the current economic climate may have an impact on the availability of such grants and income in the future and hence the continued success of the charity group. The trustees have undertaken a detailed review of the budgets that have been prepared for the next 24 months and the underlying assumptions, as well as the forecast outcome for the current year. As a result of successful applications for funds from the trustees are confident that the forecasting used to predict future income (and expenditure) is based on the track record of the company and trends that have been identified as well as credible forecasting using external information and advisers. In terms of trusts and foundations we have carried out some long-term planning to identify a pipeline of trusts and foundations we are eligible to apply for. The trustees have concluded based on available evidence, that there is a reasonable expectation that the group and charity has adequate resources to continue in operational existence for the foreseeable future. As a consequence, the trustees continue to adopt the going concern basis 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 2023

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#### 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

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

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 2023

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#### 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 in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### 1.10 Cash and cash equivalents

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

# NORTH EAST THEATRE TRUST LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 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 2023

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#### 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 £422,421 (2022: £419,204) 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.

# **NORTH EAST THEATRE TRUST LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2023**

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#### **2 Accounting policies (continued)**

##### **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.

##### **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 2023

#### 3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Donations and gifts	13,988	-	13,988	4,154
Grants receivable	649,831	175,142	824,973	1,411,023
Sponsorship	13,445	-	13,445	11,810
	<u>677,264</u>	<u>175,142</u>	<u>852,406</u>	<u>1,426,987</u>
<b>For the year ended 31 March 2022</b>	<u>958,044</u>	<u>468,943</u>		<u>1,426,987</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 2023 the group claimed £nil (2022: £145,071). 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 £nil (2022: £38,667).

#### 4 Charitable activities

	Theatre activities £	Education and participation £	Total 2023 £	Total 2022 £
Charitable income	<u>159,557</u>	<u>28,375</u>	<u>187,932</u>	<u>114,480</u>
<b>Analysis by fund</b>				
Unrestricted funds	<u>159,557</u>	<u>28,375</u>	<u>187,932</u>	
<b>For the year ended 31 March 2022</b>				
Unrestricted funds	<u>85,814</u>	<u>28,666</u>		<u>114,480</u>

# NORTH EAST THEATRE TRUST LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 5 Other trading income

	Unrestricted funds £	Total 2023 £	Total 2022 £
Bar takes	62,609	62,609	35,710
Bar and buffet income	5,936	5,936	1,234
Venue hire	9,380	9,380	7,856
	<u>77,925</u>	<u>77,925</u>	<u>44,800</u>
<b>For the year ended 31 March 2022</b>	<u>44,800</u>		<u>44,800</u>

#### 6 Investment income

	Unrestricted funds £	Total 2023 £	Total 2022 £
Rental income	832,131	832,131	717,904
Bank interest receivable	-	-	-
	<u>832,131</u>	<u>832,131</u>	<u>717,904</u>
<b>For the year ended 31 March 2022</b>	<u>717,904</u>		<u>717,904</u>

#### 7 Raising funds

	2023 £	2022 £
<u>Fundraising</u>		
Support costs (note 9)	<u>30,137</u>	<u>32,325</u>
<u>Marketing and publicity</u>		
Support costs (note 9)	<u>39,026</u>	<u>44,500</u>
<u>Trading costs</u>		
Commercial trading operations	191,246	188,568
Governance cost	5,288	5,513
	<u>196,534</u>	<u>194,081</u>
	<u>265,697</u>	<u>270,906</u>

# NORTH EAST THEATRE TRUST LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 8 Charitable activities

	Theatre activities	Education and participation	Total 2023	Total 2022
	£	£	£	£
Staff costs	-	25,000	25,000	-
Production costs	377,024	-	377,024	316,414
Education and participation expenses	-	67,123	67,123	69,284
Cleaning	11,948	10,455	22,403	43,337
IT support costs	18,881	6,109	24,990	50,611
Insurance	23,923	20,933	44,856	44,719
Licences	2,454	-	2,454	4,534
Light and heat	72,174	63,152	135,326	63,487
Printing, postage and stationery	1,429	1,250	2,679	4,300
Repairs and maintenance	24,926	21,810	46,736	71,177
Rent, rates and water	37,404	32,728	70,132	62,895
Subscriptions	5,339	4,671	10,010	4,877
Telephone and fax	1,903	1,665	3,568	5,292
Sundries	1,419	1,244	2,663	3,238
	<u>578,824</u>	<u>256,140</u>	<u>834,964</u>	<u>744,165</u>
Share of support costs (see note 9)	943,347	166,473	1,109,820	1,030,616
Share of governance costs (see note 9)	6,813	1,202	8,015	9,114
	<u>1,528,984</u>	<u>423,815</u>	<u>1,952,799</u>	<u>1,783,895</u>
<b>Analysis by fund</b>				
Unrestricted funds	1,461,814	335,352	1,797,166	
Restricted funds	67,170	88,463	155,633	
	<u>1,528,984</u>	<u>423,815</u>	<u>1,952,799</u>	
<b>For the year ended 31 March 2022</b>				
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>

# NORTH EAST THEATRE TRUST LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 9 Support costs

	Support costs	Governance costs	Total 2023	Support costs	Governance costs	Total 2022
	£	£	£	£	£	£
Employment costs	597,917	-	597,917	533,227	-	533,227
Other staff costs	8,109	-	8,109	6,705	-	6,705
Depreciation	415,656	-	415,656	415,458	-	415,458
Marketing and publicity	29,588	-	29,588	19,992	-	19,992
Premises	106,485	-	106,485	94,363	-	94,363
General administrative expenses	21,228	-	21,228	37,696	-	37,696
Audit fees	-	2,600	2,600	-	2,600	2,600
Accountancy	-	5,350	5,350	-	5,900	5,900
Trustees' expenses	-	65	65	-	614	614
	<u>1,178,983</u>	<u>8,015</u>	<u>1,186,998</u>	<u>1,107,441</u>	<u>9,114</u>	<u>1,116,555</u>
<b>Analysed between</b>						
Raising funds	69,163	-	69,163	76,825	-	76,825
Charitable activities	1,109,820	8,015	1,117,835	1,030,616	9,114	1,039,730
	<u>1,178,983</u>	<u>8,015</u>	<u>1,186,998</u>	<u>1,107,441</u>	<u>9,114</u>	<u>1,116,555</u>

### 10 Net movement in funds

2023  
£

2022  
£

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	5,350	5,900
Depreciation of owned tangible fixed assets	415,656	415,458
Operating lease charges	79,265	82,725
	<u>492,871</u>	<u>526,683</u>

# NORTH EAST THEATRE TRUST LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 11 Trustees

	2023 £	2022 £
<i>The amount of travel expenses paid to trustees was:</i>		
J A Kell	<u>65</u>	<u>362</u>
<i>Remuneration payable to trustees or connected persons:</i>		
J A Kell	<u>56,100</u>	<u>55,000</u>
<i>Employer's National Insurance contributions on above remuneration:</i>		
J A Kell	<u>6,829</u>	<u>6,369</u>
<i>Pension contributions relating to trustees or connected persons:</i>		
J A Kell	<u>1,683</u>	<u>1,650</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.

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 2023

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#### 12 Employees

##### Number of employees

The average monthly number employees during the year was:

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Charitable activities	15	15
Publicity activities	2	2
Fundraising activities	2	2
Management and administration	6	6
	<hr/>	<hr/>
	25	25
	<hr/>	<hr/>

##### Employment costs

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	652,836	599,412
Social security costs	49,170	47,032
Other pension costs	16,633	21,883
	<hr/>	<hr/>
	718,639	668,327
	<hr/>	<hr/>

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

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
£60,000 - £69,999	<hr/>	<hr/>
	-	-

# NORTH EAST THEATRE TRUST LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 13 Net gains/(losses) on investments

	2023 £	2022 £
Fair value gain on investment properties	-	335,000

#### 14 Other expenditure

	2023 £	2022 £
Financing costs	302,120	292,094

#### 15 Investment property - group

	2023 £
<b>Fair value</b>	
At 1 April 2022	8,485,000
Fair value adjustment	-
At 31 March 2023	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

	2023 £
<b>Fair value</b>	
At 1 April 2022	4,485,000
Fair value adjustment	-
At 31 March 2023	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 2023

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#### 16 Tangible fixed assets - group

	Freehold land and buildings	Leasehold land and buildings	Plant and machinery	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2022	3,294,615	7,820,415	599,358	11,714,388
Additions	-	44,586	33,516	78,102
At 31 March 2023	<u>3,294,615</u>	<u>7,865,001</u>	<u>632,874</u>	<u>11,792,490</u>
<b>Depreciation and impairment</b>				
At 1 April 2022	108,038	5,223,648	465,987	5,797,673
Depreciation charged in the year	17,947	352,767	44,942	415,656
At 31 March 2023	<u>125,985</u>	<u>5,576,415</u>	<u>510,929</u>	<u>6,213,329</u>
<b>Carrying amount</b>				
At 31 March 2023	<u>3,168,630</u>	<u>2,288,586</u>	<u>121,945</u>	<u>5,579,161</u>
At 31 March 2022	<u>3,186,577</u>	<u>2,596,767</u>	<u>133,371</u>	<u>5,916,715</u>

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

# NORTH EAST THEATRE TRUST LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 16 Tangible fixed assets (continued) - company

	Freehold land and buildings	Leasehold land and buildings	Plant and machinery	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2022	3,294,615	7,820,415	599,358	11,714,388
Additions	-	44,586	33,516	78,102
At 31 March 2023	3,294,615	7,865,001	632,874	11,792,490
<b>Depreciation and impairment</b>				
At 1 April 2022	108,038	5,223,648	465,987	5,797,673
Depreciation charged in the year	17,947	352,767	44,942	415,656
At 31 March 2023	125,985	5,576,415	510,929	6,213,329
<b>Carrying amount</b>				
At 31 March 2023	3,168,630	2,288,586	121,945	5,579,161
At 31 March 2022	3,186,577	2,596,767	133,371	5,916,715

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 2023

#### 17 Subsidiary undertakings included within the group accounts (continued)

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

	2023 £	2022 £
<b>LiveWorks (Newcastle upon Tyne) Limited</b>		
Aggregate amount of assets	4,443,331	4,477,702
Aggregate amount of liabilities and provisions	<u>(4,680,534)</u>	<u>(4,714,905)</u>
Aggregate amount of net liabilities	<u>(237,203)</u>	<u>(237,203)</u>
<i>Profit and loss</i>		
Turnover (net of VAT)	281,000	314,554
Expenses (net of VAT)	(241,907)	(155,103)
Other gains	-	175,000
Net profit	39,093	334,451
Payments made to holding company	<u>(39,093)</u>	<u>(159,451)</u>
Net profit after donations	<u>-</u>	<u>175,000</u>
	<b>2023 £</b>	<b>2022 £</b>
		<b>as restated</b>
<b>Live Trading Limited</b>		
Aggregate amount of assets	484,815	228,006
Aggregate amount of liabilities and provisions	<u>(484,814)</u>	<u>(228,005)</u>
Aggregate amount of funds	<u>1</u>	<u>1</u>
<i>Profit and loss</i>		
Turnover (net of VAT)	1,157,856	771,924
Expenses (net of VAT)	(722,793)	(515,076)
Other operating income (net of VAT)	<u>202,554</u>	<u>32,597</u>
Net profit	637,617	289,445
Payments made to holding company	<u>(637,617)</u>	<u>(289,445)</u>
Net profit/(loss) after donations	<u>-</u>	<u>-</u>

#### Prior period adjustment

The 2022 comparative figures have been restated to recognise the omission of income and expenditure in the profit and loss account in respect of productions taking place within the year ended 31 March 2022.

# NORTH EAST THEATRE TRUST LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 18 Financial Instruments

	Group £	2023 Company £	Group £	2022 Company £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	<u>58,613</u>	<u>4,996,548</u>	<u>7,664</u>	<u>4,797,167</u>
Equity instruments measured at cost less impairment	<u>-</u>	<u>11</u>	<u>-</u>	<u>11</u>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	<u>6,239,644</u>	<u>6,065,436</u>	<u>6,277,527</u>	<u>6,139,989</u>

### 19 Debtors

	Group £	2023 Company £	Group £	2022 Company £
<b>Amounts falling due within one year:</b>				
Trade debtors	58,613	13,613	7,664	-
Amounts due from subsidiary undertakings	-	4,982,935	-	4,797,167
Prepayments and accrued income	<u>967,669</u>	<u>184,325</u>	<u>584,209</u>	<u>230,718</u>
	<u>1,026,282</u>	<u>5,180,873</u>	<u>591,873</u>	<u>5,027,885</u>

### 20 Loans and overdrafts

	Group £	2023 Company £	Group £	2022 Company £
Other loans	<u>5,683,964</u>	<u>5,683,964</u>	<u>5,761,390</u>	<u>5,761,390</u>
Payable within one year	31,715	31,715	30,696	30,696
Payable after one year	<u>5,652,249</u>	<u>5,652,249</u>	<u>5,730,694</u>	<u>5,730,694</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 2023

#### 21 Creditors: amounts falling due within one year

	Notes	Group £	2023 Company £	Group £	2022 Company £
Other loans	20	31,715	31,715	30,696	30,696
Other taxation and social security		41,443	41,443	52,972	52,972
Trade creditors		370,603	291,903	294,176	257,334
Other creditors		3,521	3,521	4,484	4,484
Accruals and deferred income		<u>181,556</u>	<u>86,048</u>	<u>217,476</u>	<u>116,782</u>
		<u>628,838</u>	<u>454,630</u>	<u>599,804</u>	<u>462,268</u>

Deferred income is included in the financial statements as follows:

	Group £	2023 Company £	Group £	2022 Company £
Brought forward	138,007	42,311	239,164	82,939
Released in the year	(6,055)	(867)	(112,328)	(40,628)
Deferred in the year	-	-	11,171	-
Carried forward	<u>131,952</u>	<u>41,444</u>	<u>138,007</u>	<u>42,311</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 £	2023 Company £	Group £	2022 Company £
Other loans	20	<u>5,652,249</u>	<u>5,652,249</u>	<u>5,730,694</u>	<u>5,730,694</u>

# NORTH EAST THEATRE TRUST LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 23 Movement in funds

##### Current financial year

	Movement in funds					Balance at 31 March 2023 £
	Balance at 1 April 2022	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	1,333,853	1,995,392	(2,364,983)	422,421	-	1,386,683
<b>Total unrestricted funds</b>	<b>1,363,853</b>	<b>1,995,392</b>	<b>(2,364,983)</b>	<b>422,421</b>	<b>-</b>	<b>1,416,683</b>
<u>Restricted funds</u>						
Capital redevelopment fund (1995-97)	105	-	-	(16)	-	89
Capital redevelopment fund (2005-07)	1,469,662	-	-	(266,451)	-	1,203,211
Capital development (Sustain fund)	177,869	-	-	(19,763)	-	158,106
Capital development (The Schoolhouse)	564,028	-	-	(51,070)	-	512,958
Capital development (Live Works)	4,870,963	-	-	(51,643)	-	4,819,320
Capital (Live Theatre)	525,588	679	(2,170)	(33,478)	-	490,619
Education and Participation	-	63,463	(63,463)	-	-	-
Creative Programme	-	111,000	(90,000)	-	-	21,000
Fair value reserve	373,175	-	-	-	-	373,175
<b>Total restricted funds</b>	<b>7,981,390</b>	<b>175,142</b>	<b>(155,633)</b>	<b>(422,421)</b>	<b>-</b>	<b>7,578,478</b>
<b>Total funds</b>	<b>9,345,243</b>	<b>2,170,534</b>	<b>(2,520,616)</b>	<b>-</b>	<b>-</b>	<b>8,995,161</b>

# NORTH EAST THEATRE TRUST LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 23 Movement in funds (continued)

##### Prior financial year

	Movement in funds					Fair value gains and losses	Balance at 31 March 2022
	Balance at 1 April 2021	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	1,344,045	1,874,960	(2,304,356)	419,204	-	-	1,333,853
<b>Total unrestricted funds</b>	<b>1,374,045</b>	<b>1,874,960</b>	<b>(2,304,356)</b>	<b>419,204</b>	<b>-</b>	<b>-</b>	<b>1,363,853</b>
<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
<b>Total restricted funds</b>	<b>7,639,190</b>	<b>468,943</b>	<b>(42,539)</b>	<b>(419,204)</b>	<b>335,000</b>	<b>-</b>	<b>7,981,390</b>
<b>Total funds</b>	<b>9,013,235</b>	<b>2,343,903</b>	<b>(2,346,895)</b>	<b>-</b>	<b>335,000</b>	<b>-</b>	<b>9,345,243</b>

# NORTH EAST THEATRE TRUST LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 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 2023

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#### 23 Movement in funds (continued)

##### **Education and Participation**

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

Newcastle culture Investment Fund (NCIF)	£10,000
Backstage Trust	£25,000
John D Fund at The Community Foundation	£2,963
John Horseman Trust	£5,000
John Thaw Foundation	£1,000
Shears Foundation	£5,000
29 <sup>th</sup> May 1961 Charitable Trust	£5,000
Esmée Fairbairn Foundation (TASK Grant)	£7,500
R W Mann Trust	£2,000

##### **Capital (Live Theatre)**

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

Arts Council – Kickstart Fund	£679
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##### **Creative Programme**

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

The D'Oyly Carte Charitable Trust	£4,000
Idlewild Trust	£5,000
John Ellerman Foundation	£30,000
Hadrian Trust	£1,000
Gillian Dickinson Trust	£20,000
Garrick Charitable Trust	£5,000
Catherine Cookson Charitable Trust	£21,000
Regional Theatre Young Director Scheme	£25,000

##### **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	£16
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	£33,478

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# NORTH EAST THEATRE TRUST LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 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 2023 are represented by:					
Tangible assets	1,761,500	-	3,817,661	-	5,579,161
Investment property	4,745,183	-	3,366,642	373,175	8,485,000
Current assets	532,249	30,000	21,000	-	583,249
Long term liabilities	(5,652,249)	-	-	-	(5,652,249)
	<u>1,386,683</u>	<u>30,000</u>	<u>7,205,303</u>	<u>373,175</u>	<u>8,995,161</u>

#### 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 2022 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>

#### 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.

# NORTH EAST THEATRE TRUST LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 26 Related party transactions

The charity has received donations from both its subsidiaries, £39,092 was received from Liveworks (Newcastle upon Tyne) Ltd (2022: £159,451), and £637,617 was received from Live Trading Limited (2022: £289,445).

Live Trading Limited, a subsidiary, was recharged wages and salary costs by North East Theatre Trust Limited, and totalled £116,055 (2022: £128,327).

At the year end the charity was due a balance of £4,670,329 from Liveworks (Newcastle upon Tyne) Ltd (2022: £4,704,700), on which interest of £239,366 was charged (2022: £152,324). The charity was also owed a balance of £312,606 from Live Trading Limited (2022: £92,467), on which no interest was charged.

During the year the charity received £825 from the Lucy Winskell Fund at Community Foundation Serving Tyne & Wear and Northumberland (2022: £1,248). Lucy Winskell 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 8) is as follows.

	2023	2022
	£	£
Aggregate compensation	129,225	90,053

#### 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 2023 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.

# NORTH EAST THEATRE TRUST LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 28 Operating lease commitments

	2023 £	2022 £
Within one year	73,000	73,000
Between two and five years	365,000	365,000
In over five years	529,250	602,250
	<u>967,250</u>	<u>1,040,250</u>

#### 29 Cash generated from operations

	2023 £	2022 £
Surplus/(deficit) for the year	(350,082)	332,008
Adjustments for:		
Investment income recognised in profit or loss	-	-
Fair value gains on investment properties	-	(335,000)
Depreciation and impairment of tangible fixed assets	415,656	415,458
Movements in working capital:		
(Increase)/decrease in stock	432	(1,527)
(Increase) in debtors	(434,407)	(93,935)
Decrease in creditors	28,013	(239,157)
<b>Cash (absorbed by)/ from operations</b>	<u>(340,388)</u>	<u>77,847</u>

#### 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 expenditure, after the gain on investments, shown in the individual Statement of Financial Activities of the parent company for the year ended 31 March 2023, and included in the group accounts, is £350,082 (2022: £157,008 income).