

**Company Registration No: NI028078**  
**Charity Registration No: NIC104605**

**GRAND OPERA HOUSE TRUST**  
**(A company limited by guarantee)**

**ANNUAL REPORT AND CONSOLIDATED**  
**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

**GRAND OPERA HOUSE TRUST**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**CONTENTS**

	<b>Page</b>
<b>Officers and professional advisors</b>	<b>1</b>
<b>Trustees' annual report (incorporating the strategic report)</b>	<b>2-13</b>
<b>Trustees' responsibility statement</b>	<b>14</b>
<b>Independent auditor's report</b>	<b>15-18</b>
<b>Consolidated statement of financial activities</b>	<b>19</b>
<b>Consolidated balance sheet</b>	<b>20</b>
<b>Company balance sheet</b>	<b>21</b>
<b>Consolidated cash flow statement</b>	<b>22</b>
<b>Notes to the financial statements</b>	<b>23-44</b>

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# **GRAND OPERA HOUSE TRUST**

## **OFFICERS AND PROFESSIONAL ADVISORS**

### **TRUSTEES**

Mr C Loughran (Chair)  
Mr J D'Arcy (Deputy Chair - resigned 13 December 2022)  
Ms J Jones (Deputy Chair - appointed 20 June 2023)  
Ms A McGregor MBE (Deputy Chair - resigned 13 December 2022)  
Cllr S Copeland (resigned 13 December 2022)  
Ms P Corbett MBE  
Mr J Edwards (appointed 13 December 2022)  
Mr B Fitzpatrick  
Mr C Geoghegan (appointed 13 December 2022)  
Mr J Ireland (appointed 13 December 2022)  
Ms K Strain (appointed 13 December 2022)  
Mr L Nellis (resigned 13 December 2022)  
Mr G Parkes  
Mr R Rana  
Mr M Thompson  
Ms K Thomson

### **CHIEF EXECUTIVE**

Mr Ian Wilson

### **COMPANY SECRETARY**

Ms H Speers

### **BANKERS**

Ulster Bank Limited  
11-16 Donegall Square East  
Belfast  
BT1 5HD

### **SOLICITORS**

Carson McDowell  
Murray House  
Murray Street  
Belfast  
BT1 6DN

### **INDEPENDENT AUDITOR**

Deloitte (NI) Limited  
Statutory Auditor  
Lincoln Building  
27-45 Great Victoria Street  
Belfast  
BT2 7SL

### **PRINCIPAL ADDRESS AND REGISTERED OFFICE**

Grand Opera House  
Great Victoria Street  
Belfast  
BT2 7HR

# **GRAND OPERA HOUSE TRUST**

## **TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT)**

The Trustees (in their capacity as both Trustees and Directors) present their Trustees' annual report (incorporating the strategic report) for the year ended 31 March 2023.

### **STRATEGIC REPORT**

Grand Opera House Trust ('the Trust') is a charitable company limited by guarantee and does not have share capital. It is recognised as a charity by the Charity Commission for Northern Ireland (charity registration number NIC104605).

#### **Principal activity**

The Grand Opera House is a full time presenting theatre, the principal activity of which is to promote, maintain, improve and advance the education of the Northern Ireland public in the arts.

The Trust promotes a wide range of artistic activity in the main auditorium and The Studio.

The Theatre was operational for the full year in the year ended 31 March 2023. In the prior year, the Theatre was not able to reopen until October 2021 as a result of Covid-19 regulations in respect of entertainment venues and was therefore only able to present performances for six months of that year.

#### **Objectives and activities**

The Trust was established to "promote, maintain, improve and advance the education of the public of Northern Ireland in the arts (including the art of drama, operatic arts, other performing arts and the visual arts) at the Theatre".

The Grand Opera House is Northern Ireland's premier presenting theatre, presenting an outstanding programme and showcasing the best in musicals, ballet, opera, drama, comedy, dance, locally created work, family shows and presenting one of the most historic and longest pantomime runs in the UK and Ireland.

The mission of the Grand Opera House is to "create and deliver extraordinary experiences for everyone".

To deliver its mission and aims, the Trust has adopted a strategic approach, which consists of three strategic pillars, namely, as follows:

- Customer experience – creating and delivering extraordinary experiences for our customers, whether they are audiences, visitors, sponsors or production companies;
- Stakeholder engagement – serving our sector and community through education, outreach and development activities; and
- Organisational excellence – operating to high quality, value for money standards in everything we do as an organisation and working to be sustainable in the long term.

The Grand Opera House aims are:

- To present a world class theatrical experience;
- To extend and enhance our reputation nationally and internationally;
- To exercise responsible stewardship of our landmark building;
- To maintain a distinctive education and outreach programme;
- To sustain and develop a successful organisation; and
- To provide a positive experience to people visiting and working in the Theatre.

## **GRAND OPERA HOUSE TRUST**

### **TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT)**

#### **STRATEGIC REPORT (Continued)**

##### **Objectives and activities (continued)**

The Trustees and staff of the Grand Opera House are committed to creating and delivering extraordinary experiences for everyone by providing an excellent service. We act with integrity at all times, respect our stakeholders, customers and employees, are professional in our planning and delivery and work together in partnership with others, both internally and externally, for the good of the public of Northern Ireland.

##### **Public benefit**

The direct benefits to the public in Northern Ireland which flow from the Trust's purpose include:

- The education of audiences through the presentation of high quality theatrical performances and participation in the Theatre's creative learning programme involving schools, community groups and individuals.
- The enrichment of lives through increased awareness, improved knowledge, understanding and appreciation of the performing arts across a wide range of genres.
- The development of new skills (creative, performance and technical skills) and personal development e.g. via participation in the Theatre's creative learning activities, such as its Summer Youth Project.
- Enhanced accessibility to the performing arts for people from disadvantaged areas and requiring assistance to attend the Grand Opera House.

In setting the objectives and planning the activities for the year, the Trustees have considered the Charity Commission for Northern Ireland's guidance on public benefit to ensure that the activities have helped to achieve the Trust's purpose and provide a benefit to the beneficiaries.

The public in Northern Ireland benefit from the Trust's activities through the performance programme, which encompasses the full range of the performing arts, both on the mainstage as well as productions in The Studio. Alongside the programme of professional touring productions, the Theatre offers amateur and community groups, and local artistes, the opportunity to perform on one of the most historic stages in the UK and Ireland, as well as in The Studio.

The Trust's performance programme is created to appeal to the broadest possible range of interests, tastes and ages, and consideration is always given to a range of prices to encourage attendance. The Grand Opera House is a historic listed building and its history, heritage and its key role in the life of Belfast is shared through talks and several informative backstage tours.

The Trust has created a number of opportunities aimed at appealing to people and communities who would not otherwise engage with the Theatre or the arts, both through the performance programme as well as through its range of creative learning initiatives. To ensure that the Grand Opera House is accessible to people with disabilities the Theatre promotes a hugely successful 'Access for All' scheme, which currently has 2,358 members.

The performers appearing as part of the Grand Opera House's programme may benefit from exposure to a wider audience, which may enhance their reputation, however, this is incidental to the achievement of the Trust's purpose of educating the public of Northern Ireland in the arts.

# GRAND OPERA HOUSE TRUST

## TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT)

### STRATEGIC REPORT (Continued)

#### Achievements and performance

##### Key performance indicators

The key performance indicators for the group are as follows:

	<b>2023</b>	<b>2022</b>
No. of performances in the Main Auditorium	344	207
No. of shows in the Main Auditorium	48	28
% total occupancy	84%	81%
No. of tickets sold in the Main Auditorium	<u>292,000</u>	<u>167,851</u>

A programme bursting with the very best shows, huge support from over 307,000 theatregoers, including over 25,000 new bookers, and the dedication, commitment and talent of the Grand Opera House's staff combined to make the 2022/23 financial year a resounding success, reaffirming the Theatre's position as Northern Ireland leading arts organisation.

This was the first full year of trading since the completion of the Theatre's restoration - in many ways a distant memory - and the full relaxation of Covid protocols and regulations which greatly helped to bring people back to the Grand Opera House in their droves.

Fundamental to the year's success was the public's enthusiasm and appetite for big musicals which brought over 15,000 new bookers into the Grand Opera House during the year. Blockbuster shows such as Blood Brothers, Jersey Boys, Chicago, SIX the Musical and Joseph and the Amazing Technicolor Dreamcoat were joined by brand-new productions, including The Osmonds Musical, the Cher Musical, and Bedknobs and Broomsticks. But the runaway triumphs of the year were Bat Out of Hell, and a three-week, sell-out run of Mamma Mia!, the first time the show has appeared on the Theatre's stage.

With the aim of delivering a balanced programme, the Theatre also presented less well-known titles such as Girl From the North Country and the National Theatre's production of Ocean at the End of the Lane, between them attracting 1,700 new bookers. Northern Ballet Theatre returned with a stunning production of The Little Mermaid, and the unforgettable Les Ballet Trockadero de Monte Carlo (The Trocs) returned with a brand-new show in October 2022.

As well as being a 'number one' venue on the UK and Ireland touring circuit, the Grand Opera House played host to a number of sell-out local productions including, The History of the Troubles (accordin' to my Da), Bridesmaids of Northern Ireland, In the Name of the Son, West Side Story (Ulster Operatic), The Hunchback of Notre Dame (Belfast Operatic), and the most successful opera ever to have graced the Theatre's stage, NI Opera's stunning production of La Traviata.

One of the programme highlights was the return of Action Ability with its brand-new production, Viva Las Belfast! This award-winning company's productions become more ambitious each year, and the Grand Opera House is proud to partner with this unique organisation.

Over 10,400 school children attended the Theatre's record-breaking pantomime, Cinderella. For many, this was their first experience of live theatre and their first opportunity to engage with the arts. Indeed, with 70,006 people attending the six-week run, the Grand Opera House's pantomime epitomises the principal aim of public funding - to increase access to the arts.

## **GRAND OPERA HOUSE TRUST**

### **TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT)**

#### **STRATEGIC REPORT (Continued)**

##### **Achievements and performance (continued)**

More than 360 young people auditioned for 150 roles for the Theatre's Summer Youth Project, *The Pirates of Penzance*, which ran in July 2022. Coached by a professional director, musical director, choreographer and supported by the Theatre's technical team, Northern Ireland's biggest youth theatre project rightly deserved the standing ovations it received at each of its four performances. The Trust is justifiably proud to give young people the opportunity to perform on the Theatre's iconic stage.

Access to performances and activities at the Theatre is core to the Trust's work. Across the year, there were 35 access performances covering sign language, audio description, captioned, and touch tours, as well as the hugely popular relaxed performance of the pantomime, *Cinderella*. To encourage engagement with a greater number of younger people, the Theatre has established its Under26 Friends Scheme. With 2,775 already signed up, this group receives information and discounted tickets under this initiative which will grow in the future.

The Theatre's creative learning team delivered a busy programme of events throughout the year, including 75 Theatre Tours and several talks on the history of the Theatre. The team also continued to develop relationships with community organisations with the aim of working with people who have little or no opportunity to engage with the arts. The creative learning programme's hugely successful 'Come and Try' week during Halloween included a range of activities for a variety of age groups: film screenings and ballet for older people, opera for toddlers and young children, as well as introduction to scriptwriting, physical theatre and sensory play workshops.

In 2017, when the Trust funded the significant restoration of the Theatre's exterior, it committed to cleaning and painting the façade, designed by the Victorian architect Frank Matcham, every five years in order to protect this unique heritage asset. July 2022 marked five years since that extensive work completed and, once again, the brickwork and stonework was cleaned to ensure the Grand Opera House remains the Jewel in Belfast's crown.

Such is the importance of the Grand Opera House to theatre architecture that the renowned Matcham Society held its AGM at the Theatre in May 2022 and its members, many of whom are the most enthusiastic Frank Matcham aficionados in the world, were greatly impressed by the sensitive restoration of the 1895 auditorium and sympathetic changes to the front of house areas.

The Trust is grateful to Belfast City Council for its support of the creative learning programme's Compass Project in March 2023, and for the funding from the Arts Council of Northern Ireland. The results contained within these accounts demonstrate that the Grand Opera House Trust has successfully excelled on the Arts Council of Northern Ireland's three guiding principles: to inspire, connect and lead, as well as its own core business objectives of engagement, excellence and ambition.

##### **Financial review**

The consolidated Statement of Financial Activities for the year is set out on page 19. The Balance Sheet showing the consolidated position at 31 March 2023 is set out on page 20.

The Statement of Financial Activities shows net income for the year of £1,109,891 (2022 – net loss of £2,975,255, including a £4,151,182 loss on disposal of fixed assets in respect of 2006 theatre extension assets which were replaced by the restoration project completed in 2020 and 2021 and computer equipment assets).

# GRAND OPERA HOUSE TRUST

## TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT)

### STRATEGIC REPORT (Continued)

#### Financial review (continued)

Total income for the year is made up as follows:

	2023	2022
	£	£
Charitable activities	10,377,546	7,072,115
Other trading activities	1,362,103	655,297
Investments	103,161	2,569
	<u>11,842,810</u>	<u>7,729,981</u>
Donations and legacies (including restoration levy)	601,387	334,615
Total income	<u>12,444,197</u>	<u>8,064,596</u>

Income from charitable and other trading activities increased during the year due to the Theatre being operational for the full year in the year ended 31 March 2023. In the prior year, the Theatre was not able to reopen until October 2021 as a result of Covid-19 regulations in respect of entertainment venues and was therefore only able to present performances for six months of the year.

#### Income from charitable activities

To advance the education of the public of Northern Ireland in the Arts, the Grand Opera House aims to deliver a varied programme, with a mix of the arts, and to deliver the highest quality artistic productions in an accessible way to the widest possible audience. Income from charitable activities therefore consists of income generated from theatre production and programming, education and outreach work and revenue and capital grant income.

An annual grant from the Arts Council of Northern Ireland (ACNI) is of central importance to the Grand Opera House. In 2022/23 revenue grant funding was gratefully received from the Arts Council of Northern Ireland of £375,880 (2022: £425,880).

In 2022/23, a £6,364 revenue grant was also gratefully received from Belfast City Council to deliver a community project.

In 2022/23 a capital grant was gratefully received from the National Lottery Heritage Fund of £478,930 (2022: £1,532,094), being the final 10% of grant funding awarded in respect of the restoration project.

#### Income from other trading activities

The Trust's wholly-owned subsidiary, The Grand Opera House (Theatre) Limited, generates the majority of the income from other trading activities through ancillary theatre activities including bar and front of house sales, conference and event income, Friends and corporate sponsorship.

#### Donations and legacies

Donations and legacies consists of donations and the voluntary restoration levy which is applied on all ticket sales. During the year this restoration levy raised £556,077 (2022: £297,829) and is restricted for investment in the preservation, improvement and enhancement of the historic listed building, stage and main auditorium fixtures and fittings, health and safety obligations and in all areas of customer service to ensure that the comfort and safety of all customers and visitors is maintained to the highest standard. This voluntary restoration levy income is shown as income under restricted funds.

# GRAND OPERA HOUSE TRUST

## TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT)

### STRATEGIC REPORT (Continued)

#### Financial review (continued)

##### Trading subsidiary

The Trust's wholly owned subsidiary, The Grand Opera House (Theatre) Limited, was established to operate the commercial bar, front of house and event facilities at the Theatre, to hire out the Theatre to third parties and to contract with production companies and sell tickets to customers for admission to the shows presented. The Trust seconded staff to its subsidiary and licenses the use of the Theatre to its subsidiary for the purpose of presenting productions. In return the subsidiary pays a management charge to cover wage costs and overheads and a licence fee for the use of the Theatre. The management charge and licence fee for the current year was £2,974,429 (2022: £1,517,530).

The profit of the subsidiary for the financial year was £nil (2022: £5,124). The subsidiary has a policy of gift aiding any taxable profits to the Trust where distributable profits exist. In the current year profits gift aided to the Trust were £64,235 (2022: £7,896).

#### Principal risks and uncertainties

The Trust has a risk management strategy which comprises:

- An annual review of the risks the Trust and its subsidiary, The Grand Opera House (Theatre) Limited, may face;
- The establishment of systems and procedures to mitigate those risks; and
- The implementation of procedures designed to minimise potential impact should those risks materialise.

This work has identified that financial sustainability is the major financial risk for both the Trust and its subsidiary. Appropriate strategies including strategic planning in respect of the programme and budget and business planning have been identified to manage the financial sustainability of the Theatre.

The group's strategy is to follow an appropriate risk policy, which effectively manages exposures related to the achievement of the organisation's objectives. The key risks which management face are as follows:

##### *Business performance risk*

Business performance risk is the risk that the group may not perform as expected either due to internal factors, including availability of the premises, external factors, such as the rising cost of living and impact of the war in Ukraine, or due to competitive pressures in the market in which it operates. The risk is managed through a number of measures: ensuring the appropriate management team is in place; budget and business planning, monthly reporting and variance analysis; financial controls; key performance indicators; and regular forecasting.

##### *Business continuity risk*

The group ensures that there is adequate knowledge throughout the management team and sufficient IT support and business continuity plans in place should an unforeseen event occur.

##### *Health and safety risk*

The group is committed to ensuring a safe working environment. These risks are managed by the group through the strong promotion of a health and safety culture, extensive safety training and well defined health and safety policies.

##### *Financial and business control*

Strong financial and business controls are necessary to ensure the integrity and reliability of financial and other information on which the group relies for day-to-day operations, external reporting and for longer term planning. The group exercises financial and business control through a combination of: qualified and experienced financial personnel; performance analysis; budgeting and forecasting; and clearly defined approval limits.

## **GRAND OPERA HOUSE TRUST**

### **TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT)**

#### **STRATEGIC REPORT (Continued)**

##### **Principal risks and uncertainties (continued)**

###### *Environmental risk*

The group has established clearly defined policies and procedures to enable compliance with environmental best practice and legislation. The group is committed to protecting the environment in which it conducts its activities.

##### **Financial risk management**

The group's principal financial instruments comprise cash, current asset investments, trade debtors and creditors and certain other debtors, creditors and accruals. The main risks associated with these financial assets and liabilities are set out below:

###### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. Group policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate appropriate payment history and satisfy credit worthiness procedures.

Given that the majority of the group's sales are ticket sales payable at the time of booking, the group's exposure to credit risk is not significant.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

###### *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations. The group maintains regular contact with its bankers and utilises online banking systems to monitor cash flow performance to manage the group's liquidity risk. The group holds current asset investments with a number of financial institutions to mitigate the risk further.

##### **Health and safety**

The Chief Executive is responsible to the Board for health and safety matters and reports regularly to the Board of Trustees. An external health and safety audit was carried out in 2022/23 and achieved a satisfactory result.

##### **Friends of the Grand Opera House**

We are grateful for the continued support of our Friends, of which there were 1,252 (2022: 776) as at 31 March 2023. The number of Friends subscriptions has increased due to the profile of the show programme.

##### **Challenging times for the Arts sector**

This is the seventeenth consecutive year that funding for the arts in Northern Ireland has decreased, a position that is unlikely to be halted or reversed anytime soon. This, combined with greatly increased running costs and the cost-of-living crisis, is placing considerable strain on the arts sector.

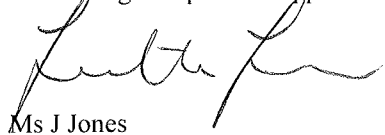
Over the past six years, the Trust, Chief Executive and Senior Management Team have focussed their effort on creating a financially stable organisation. The £12.2 million restoration was the catalyst for the Trust's ambition, however, continued strong programming and overwhelming public support for shows places the Grand Opera House in a strong position not only to weather the storm, but also to continue to build on the Theatre's recent successes.

**GRAND OPERA HOUSE TRUST**

**TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT)**

**STRATEGIC REPORT (Continued)**

The Strategic Report was approved by the Board and signed on its behalf by:



Ms J Jones  
Deputy Chair

Date: 26 September 2023



Mr C Geoghegan  
Trustee

Date: 26 September 2023

## **GRAND OPERA HOUSE TRUST**

### **TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT)**

#### **TRUSTEES' ANNUAL REPORT**

The Trustees (in their capacity as both Trustees and Directors) are pleased to present their annual report together with the consolidated financial statements of Grand Opera House Trust (the Trust) and its subsidiary undertaking, The Grand Opera House (Theatre) Limited (the Theatre), together with the report of the independent auditor for the year ended 31 March 2023.

#### **Structure, organisation and management**

Grand Opera House Trust is a charitable company limited by guarantee and does not have share capital.

The Board of Trustees, which administers the Trust, meets bimonthly and there are various other committees covering Audit, Risk and Governance, Planning and Finance, and Human Resources. Trustees are appointed to committees based on their skills. The Trustees elect one of their number as Chair.

A Chief Executive is appointed by the Trust to lead and manage the operations of the Trust and the setting of the programme of performances. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trust, for operational matters including finance, employment and artistic performance related activity. The Chief Executive is also responsible for implementing the strategic and business plans of the Trust.

#### **Appointment of Trustees**

The Articles of Association direct that the Board of Trustees shall not exceed thirteen. At each Annual General Meeting, those Trustees who have held office for a period of four years are required to retire from office. Trustees are permitted to offer themselves for re-election provided they have not served more than eight years previously.

Trustees are co-opted based on their skills to ensure that a wide range of skills are represented on the Trust. Trustees are also elected directors of the subsidiary company. A list of Trustees who served during the financial year and subsequently is noted on page 1.

Mr J D'Arcy and Ms A McGregor MBE resigned as Deputy Chairs and Trustees on 13 December 2022. Ms J Jones was appointed as Deputy Chair on 20 June 2023.

Cllr S Copeland and Mr L Nellis resigned as Trustees on 13 December 2022. Mr J Edwards, Mr C Geoghegan, Mr J Ireland and Ms K Strain were appointed as Trustees on 13 December 2022.

#### **Trustee induction and training**

New Trustees meet with the Chair and the Chief Executive to be appraised of the Trust, its structure, its governance, the content of its Articles of Association, the committee decision making process, the business plan and recent operating and financial performance. New Trustees are also given guided tours of the Theatre and afforded the opportunity to meet key staff. Trustees are encouraged to attend performances at the Theatre.

#### **Key management remuneration policy**

The key management personnel of the group and Trust, the Chief Executive and the Trustees, are listed on page 1.

The Trustees are not remunerated for their services. The remuneration for key management personnel is determined by the Trust following review of performance appraisals and benchmarking.

## **GRAND OPERA HOUSE TRUST**

### **TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT)**

#### **TRUSTEES' ANNUAL REPORT (Continued)**

##### **Equal opportunities**

The Trust is committed to a policy of equal opportunity for all across its employment practices and its activities. In addition the Trust has a progressive policy to accommodate as many customers with disabilities as can be achieved using its available resources, with large print materials, signed performances, stage text performances, audio described performances, carer concessions and special access to parts of the auditorium.

##### **Fixed assets**

The Trust holds the freehold and long leasehold interest in the theatre premises. The title of the original theatre is subject to the conditions set out in a Declaration of Trust between the Trust and the Arts Council for Northern Ireland, the primary conditions being that the Trust must continue to use the Theatre as a venue for performing arts and maintain it in good repair at all times and further ensure that it complies with the conditions and obligations applicable to a listed building, and other statutory regulations.

The movements in fixed assets in the year are set out in note 14 to the financial statements. The Trust invested £435,117 (2022: £1,088,367) in capital expenditure during the year.

##### **Reserves policy**

The Trust has an agreed reserves policy which requires reserves be maintained at a level which ensures that Grand Opera House Trust's core activity could continue during a period of unforeseen difficulty and a proportion of reserves be maintained in a readily realisable form.

The policy takes into account; risks associated with each income and expenditure stream, planned activity levels and the organisation's planned commitments.

Having considered the risks and the future plans for the charity, the Trustees consider that the most appropriate level of reserves, excluding restricted and designated reserves and unrestricted reserves committed on tangible fixed assets, should be kept at the level of £1m.

As at 31 March 2023, the group has total funds of £18,606,187 (2022: £17,496,296), £13,124,533 (2022: £12,728,524) of which are restricted funds and not available for general purposes of the charity.

The group has unrestricted funds of £5,481,654 (2022: £4,767,772), of which £3,632,752 (2022: £3,123,475) are designated for capital and major repair works. A portion of these funds have been spent in respect of the restoration and development project in 2020 and 2021 and the remainder will be utilised for future capital and major repair works.

Of the £1,848,902 (2022: £1,644,297) undesignated unrestricted reserves, £475,007 (2022: £270,402) has already been committed in respect of tangible fixed assets, resulting in an unspent unrestricted reserves balance of £1,373,895 as at 31 March 2023 (2022: £1,373,895).

The Grand Opera House Trust will strategically programme the Theatre to maintain the reserves level as detailed in the organisation's reserves policy.

## **GRAND OPERA HOUSE TRUST**

### **TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT)**

#### **TRUSTEES' ANNUAL REPORT (Continued)**

##### **Plans for future periods**

2026 will mark five years since the completion of the restoration project and, by then, over 1.5 million people will have been through the doors of the Grand Opera House since it reopened in October 2021. To protect the stunning restoration of the auditorium, and refurbishment of front of house areas, and to ensure the fabric of both spaces does not deteriorate, the Trust will embark on a significant six-week repair and cleaning programme scheduled for summer 2026. Alongside ongoing maintenance work which forms part of running a public heritage building, this work further demonstrates the Trust's ambition to protect the Grand Opera House for future generations.

As the Theatre expands performances of local shows within The Studio, work will be undertaken to install an audio induction loop in the 123-seat space as well as other equipment to improve access. The Studio will continue to be used as a platform for local artistes and production companies to showcase their work, thereby ensuring that the Grand Opera House remains at the centre of excellence for the arts in Northern Ireland.

##### **Going concern**

Having reviewed the Trust's forecasts, taking into account changes in trading as a result of increased operational costs, and having considered a number of scenarios, including reduced occupancy as a result of the rising cost of living, the Trustees have a reasonable expectation that there are adequate resources in place to continue in operational existence for the foreseeable future. The principal factors underlying this judgement, subject to normal levels of commercial risk in the current economic climate, include:

- Current levels of financial performance and resources by comparison with budget expectations;
- Expected revenues from the planned programme for 2023/24 and 2024/25;
- Estimated reduction in occupancy as a result of the rising cost of living;
- Expected cash flows in respect of capital expenditure; and
- Receipt of continued support from ACNI in 2023/24 and 2024/25.

Appropriate financial strategies have been identified to manage the financial sustainability of the Theatre. Accordingly, the Trust continues to adopt the going concern basis of accounting in preparing the annual financial statements.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

**GRAND OPERA HOUSE TRUST**

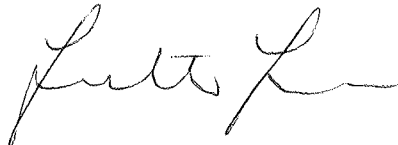
**TRUSTEES' ANNUAL REPORT (INCORPORATING THE STRATEGIC REPORT)**

**TRUSTEES' ANNUAL REPORT (Continued)**

**Auditor**

A resolution for the reappointment of Deloitte (NI) Limited as auditor of the Trust is to be proposed at the forthcoming Annual General Meeting.

The Trustees' Report was approved by the Board and signed on its behalf by:



Ms J Jones  
Deputy Chair

Date: 26 September 2023



Mr C Geoghegan  
Trustee

Date: 26 September 2023

## **GRAND OPERA HOUSE TRUST**

### **TRUSTEES' RESPONSIBILITIES STATEMENT**

The Trustees (who are also directors of Grand Opera House Trust for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable company and group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

| |

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAND OPERA HOUSE TRUST**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements of Grand Opera House Trust (the 'charitable company') and its subsidiaries (the group):

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated Statement of Financial Activities;
- the Consolidated and Company Balance Sheets;
- the Consolidated Cash Flow Statement; and
- the related notes 1 to 26.

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).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and of the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAND OPERA HOUSE TRUST (Continued)**

### **Other information (continued)**

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.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the trustees about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, Charity legislation and the Charities SORP 2019; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the Charity Commission for Northern Ireland (Charity Commission) regulations, Health and Safety legislation, Employment Law, Data Protection Act and Bribery Act.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAND OPERA HOUSE TRUST (Continued)**

### **Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

#### Revenue Recognition

- We assessed the design and implementation of key controls over the cut-off of revenue at year end and the accuracy of recording of grant income; and
- We selected a sample of grant revenue recorded and traced to supporting documentation to ensure it had been appropriately recorded in the financial statements and performed a recalculation of a sample of deferred revenue to ensure it was appropriately recorded at year end.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with The Charity Commission for Northern Ireland.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

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

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, 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.

We have nothing to report in respect of these matters.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAND OPERA HOUSE TRUST (Continued)**

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jason Starbuck FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte (NI) Limited  
Statutory Auditor  
Belfast, United Kingdom

Date: 5. October 2023

## GRAND OPERA HOUSE TRUST

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including consolidated income and expenditure account) For the year ended 31 March 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>Incoming from:</b>					
Donations and legacies	4	45,310	556,077	601,387	334,615
Charitable activities	5	9,516,372	861,174	10,377,546	7,072,115
Other trading activities	6	1,362,103	-	1,362,103	655,297
Investments	7	103,161	-	103,161	2,569
<b>Total income</b>		<b>11,026,946</b>	<b>1,417,251</b>	<b>12,444,197</b>	<b>8,064,596</b>
<b>Expenditure on:</b>					
Raising funds	8	1,281,111	159,750	1,440,861	1,023,087
Charitable activities	9	9,031,953	861,492	9,893,445	5,865,582
Loss on disposal of fixed assets		-	-	-	4,151,182
<b>Total expenditure</b>		<b>10,313,064</b>	<b>1,021,242</b>	<b>11,334,306</b>	<b>11,039,851</b>
<b>Net income/(loss) before tax</b>		<b>713,882</b>	<b>396,009</b>	<b>1,109,891</b>	<b>(2,975,255)</b>
Taxation	13	-	-	-	-
<b>Net income/(loss) for the year</b>	11	<b>713,882</b>	<b>396,009</b>	<b>1,109,891</b>	<b>(2,975,255)</b>
Transfer between funds		-	-	-	-
<b>Net movement in funds</b>		<b>713,882</b>	<b>396,009</b>	<b>1,109,891</b>	<b>(2,975,255)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward	22	4,767,772	12,728,524	17,496,296	20,471,551
<b>Total funds carried forward</b>	22	<b>5,481,654</b>	<b>13,124,533</b>	<b>18,606,187</b>	<b>17,496,296</b>

Net income is derived from continuing operations in the current and prior year.

There are no other recognised gains or losses other than those reflected in the statement above, and consequently no Statement of Comprehensive Income is presented.

The surplus of the parent charitable company for the year for Companies Act purposes is £1,109,891 (2022 – deficit of £2,980,379). As permitted by Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented in respect of the parent charitable company.

The notes on pages 23 to 44 form part of the financial statements.

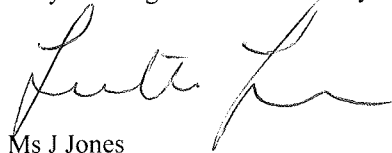
**GRAND OPERA HOUSE TRUST**  
**Company Registration No: NI028078**

**CONSOLIDATED BALANCE SHEET**  
**As at 31 March 2023**

	Note	2023 £	2022 £
<b>FIXED ASSETS</b>			
Tangible assets	14	13,781,856	14,151,153
<b>CURRENT ASSETS</b>			
Stocks	16	24,743	19,318
Debtors	17	97,327	314,923
Investments	18	7,850,508	6,250,979
Cash at bank and in hand		1,316,944	2,059,929
		9,289,522	8,645,149
<b>CREDITORS - amounts falling due within one year</b>	19	(4,465,191)	(5,300,006)
<b>NET CURRENT ASSETS</b>		4,824,331	3,345,143
<b>NET ASSETS</b>		18,606,187	17,496,296
<b>FUNDS</b>			
Restricted funds	22	13,124,533	12,728,524
Unrestricted funds	22	5,481,654	4,767,772
<b>TOTAL FUNDS</b>		18,606,187	17,496,296

The financial statements of Grand Opera House Trust (registered number NI028078) were approved and authorised for issue by the Board of Trustees on 26 September 2023.

They were signed on its behalf by:

  
Ms J Jones  
Deputy Chair

  
Mr C Geoghegan  
Trustee

The notes on pages 23 to 44 form part of the financial statements.

**GRAND OPERA HOUSE TRUST**  
**Company Registration No: NI028078**

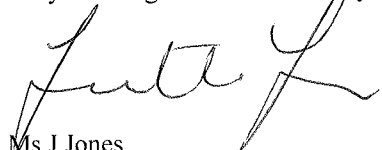
**COMPANY BALANCE SHEET**  
**As at 31 March 2023**

	Note	2023 £	2022 £
<b>FIXED ASSETS</b>			
Tangible assets	14	13,781,856	14,151,153
Investments	15	100,001	100,001
		<u>13,881,857</u>	<u>14,251,154</u>
<b>CURRENT ASSETS</b>			
Debtors	17	47,164	148,413
Investments	18	7,850,508	6,250,979
Cash at bank and in hand		632,397	1,286,337
		<u>8,530,069</u>	<u>7,685,729</u>
<b>CREDITORS - amounts falling due within one year</b>	19	<u>(3,805,739)</u>	<u>(4,440,587)</u>
<b>NET CURRENT ASSETS</b>		<u>4,724,330</u>	<u>3,245,142</u>
<b>NET ASSETS</b>		<u>18,606,187</u>	<u>17,496,296</u>
<b>FUNDS</b>			
Restricted funds	22	13,124,533	12,728,524
Unrestricted funds	22	5,481,654	4,767,772
<b>TOTAL FUNDS</b>		<u>18,606,187</u>	<u>17,496,296</u>

The surplus for the financial year dealt with in the financial statements of the parent undertaking was £1,109,891 (2022 – deficit of £2,980,379).

The financial statements of Grand Opera House Trust (registered number NI028078) were approved and authorised for issue by the Board of Trustees on 26 September 2023.

They were signed on its behalf by:



Ms J Jones  
Deputy Chair



Mr C Geoghegan  
Trustee

The notes on pages 23 to 44 form part of the financial statements.

## GRAND OPERA HOUSE TRUST

### CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2023

	Note	2023 £	2022 £
<b>Net cash flows generated from operating activities</b>	25	1,194,140	5,495,970
<b>Cash flows from investing activities:</b>			
Interest from investments		97,521	2,132
Purchase of tangible fixed assets		(435,117)	(1,088,367)
Cash inflow from maturity of investments		6,250,979	1,500,506
Cash outflow on deposit of investments		(7,850,508)	(5,750,979)
<b>Net cash flows used in investing activities</b>		<u>(1,937,125)</u>	<u>(5,336,708)</u>
<b>Net (decrease)/increase in cash at bank and in hand</b>		<u>(742,985)</u>	<u>159,262</u>
<b>Cash at bank and in hand at beginning of year</b>		2,059,929	1,900,667
<b>Cash at bank and in hand at end of year</b>		<u><u>1,316,944</u></u>	<u><u>2,059,929</u></u>

The notes on pages 23 to 44 form part of the financial statements.

# GRAND OPERA HOUSE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

### 1. COMPANY AND CHARITABLE STATUS

Grand Opera House Trust, a public benefit entity, is incorporated in Northern Ireland as a company limited by guarantee not having a share capital. There are currently 12 Trustees who are also members of the company. Each member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £1. The charity is a registered charity (charity number NIC104605). The registered office is given on page 1.

### 2. ACCOUNTING POLICIES

#### Basis of accounting

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2019) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and the Companies Act 2006.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption available to it in respect of its separate financial statements in relation to presentation of a cash flow statement.

The principal accounting policies are set out below. They have been applied consistently throughout the current and preceding year, unless otherwise stated.

#### Preparation of financial statements – going concern

Having reviewed the Trust's forecasts, taking into account changes in trading as a result of increased operational costs, and having considered a number of scenarios, including reduced occupancy as a result of the rising cost of living, the Trustees have a reasonable expectation that there are adequate resources in place to continue in operational existence for the foreseeable future. The principal factors underlying this judgement, subject to normal levels of commercial risk in the current economic climate, include:

- Current levels of financial performance and resources by comparison with budget expectations;
- Expected revenues from the planned programme for 2023/24 and 2024/25;
- Estimated reduction in occupancy as a result of the rising cost of living;
- Expected cash flows in respect of capital expenditure; and
- Receipt of continued support from ACNI in 2023/24 and 2024/25.

Appropriate financial strategies have been identified to manage the financial sustainability of the Theatre. Accordingly, the Trust continues to adopt the going concern basis of accounting in preparing the annual financial statements.

#### Basis of consolidation

Consolidated financial statements have been prepared in respect of Grand Opera House Trust and its wholly owned subsidiary undertaking The Grand Opera House (Theatre) Limited. All intra-group transactions, balances, income and expenses are eliminated on consolidation. These financial statements have been consolidated on a line by line basis and the results of the subsidiary undertaking are disclosed in note 15.

# GRAND OPERA HOUSE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

### 2. ACCOUNTING POLICIES (continued)

#### Income

Income is recognised when the group and Trust has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donations and legacies and the restoration levy are recognised in income when received.

Revenue grants are recognised as income when receivable and income from ticket sales is recognised when received. Where payments are received from customers in advance of shows taking place, the amounts are recorded as deferred income and included as part of creditors due within one year until the relevant performance date has passed.

Income from trading activities is recognised as and when goods are provided to the customer or services have been provided to the extent that there is a right to consideration.

Interest income is recognised when receivable.

Donated services are recognised on the basis of the value of the gift to the Trust which is the amount the Trust would be willing to pay to obtain the services of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Capital grants are recognised in the year of receipt and treated as restricted funds with depreciation on the relevant assets charged directly to the restricted fund in the Consolidated Statement of Financial Activities.

#### Resources expended

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

Expenditure on raising funds includes the costs incurred in generating income from trading activities including Front of House services, sponsorship and the Friends membership scheme.

Expenditure on charitable activities includes costs to deliver the theatre programme and education and outreach activities.

Support costs are those functions that assist the work of the Trust but do not directly undertake charitable activities. Support costs include governance costs, general management and administration costs, information technology and communications costs, property costs and depreciation. These costs have been allocated between costs of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated to activity cost categories on a basis consistent with the use of resources, are set out in note 10.

#### Fund accounting

The Trust's funds consist of unrestricted and restricted funds.

Unrestricted funds may be used at the discretion of the Trustees to further the Trust's charitable purposes.

Designated funds are funds set aside for specific purposes earmarked by the Trustees. They are utilised as required for the purpose for which they were created, and form part of unrestricted funds.

# GRAND OPERA HOUSE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 March 2023

### 2. ACCOUNTING POLICIES (continued)

#### Fund accounting (continued)

Restricted funds represent income received which is earmarked by the funder or donor for specific purposes.

#### Tangible fixed assets and depreciation

A fixed asset is any item of expenditure which has a life expectancy (i.e. usage period) of more than one year, a measurable value in excess of £500 and provides a future economic benefit to the organisation. Expenditure on items with a life expectancy of one year or less are considered to be consumable items and are expensed in the year in which they occur.

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Theatre restoration	2% - 33.33% per annum
Theatre extension	2% per annum
Fixtures, fittings & plant	10% - 50% per annum
Computer equipment	20% - 33.33% per annum
Website	25% per annum

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### Investments

In the Trust balance sheet, the investment in the subsidiary is measured at cost less impairment.

#### Stocks

Stocks are stated at the lower of cost and net realisable value. Provision is made for obsolete, slow moving or defective items as appropriate.

#### Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term current asset investments.

Current asset investments comprise cash deposits and are measured initially at the cash amount on deposit and subsequently at the cash amount expected to be received.

#### Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term, even if payments are not made on such a basis.

## GRAND OPERA HOUSE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 March 2023

#### 2. ACCOUNTING POLICIES (continued)

##### Pension scheme

The Trust operates two group personal pension schemes; these are both defined contribution schemes whereby the assets are held separately from those of the Trust in an independently administered fund.

The amount charged to the Statement of Financial Activities in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are included within accruals in the balance sheet.

##### Financial instruments

Financial assets and financial liabilities are recognised when the group becomes party to the contractual provisions of the instruments. All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The Trust and group only have financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

##### Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Financial Activities as described below.

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

## GRAND OPERA HOUSE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 March 2023

#### 2. ACCOUNTING POLICIES (continued)

##### Taxation

The Trust is a charity for tax purposes in accordance with Schedule 6 FA 2010 and is exempt from taxation on its charitable activities in accordance with Part 11 Corporation Tax Act 2010.

Current tax for the subsidiary undertaking, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The trading subsidiary, The Grand Opera House (Theatre) Limited, has a policy of gifting its profits to the parent charity every year where distributable profits exist, with no tax charge arising. Where profits are not gifted to the parent charity they are subject to corporation tax.

#### 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies, which are described in note 2, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### *Critical judgements in applying the group's accounting policies*

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

##### *Carrying value of original theatre premises*

As detailed in the Trustees' report, the freehold and long leasehold interest in the original theatre premises belongs to the Trust with onerous obligations under a Declaration of Trust. Under the terms of the Declaration of Trust, the Trustees are obliged to retain the property in current use and are prohibited from an open market sale of the premises. Therefore only an existing use valuation of the premises is deemed appropriate and in the event of the Trustees ceasing to operate the premises it will be offered back to the Arts Council for nil consideration.

The Trustees have prepared cash flows for the foreseeable future taking into account income generated from the running of the Theatre, and are content that the Trust is a going concern. However, on the basis of these projections, and allowing for the obligations within the Declaration of Trust referred to above, the Trustees are of the opinion that the original theatre premises, does not have a present value in use. Accordingly no carrying value or depreciation in respect of the Trust's interest in the original theatre premises is reflected in these financial statements.

## GRAND OPERA HOUSE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

#### 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

*Key source of estimation uncertainty – useful economic life and carrying value of tangible fixed assets*

The depreciation charge in respect of tangible fixed assets is based on an estimate of the useful economic life of each asset, as detailed in the tangible fixed assets and depreciation accounting policy set out in note 2.

If there is any indication that an asset may be impaired, determining the recoverable amount of the asset requires an estimation of its value in use to the group. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the tangible fixed asset and a suitable discount rate in order to calculate present value.

#### 4. ANALYSIS OF INCOME FROM DONATION AND LEGACIES

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Donations and legacies	45,310	-	45,310	36,786
Restoration levy income	-	556,077	556,077	297,829
	<u>45,310</u>	<u>556,077</u>	<u>601,387</u>	<u>334,615</u>

The Trust applies a voluntary restoration levy on all ticket sales which is restricted for investment in the preservation, improvement and enhancement of the historic listed building, stage and main auditorium fixtures and fittings, health and safety obligations and in all areas of customer service to ensure that the comfort and safety of all customers and visitors is maintained to the highest standard.

## GRAND OPERA HOUSE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 March 2023

#### 5. ANALYSIS OF INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
<b>Revenue grant income</b>				
Arts Council of Northern Ireland	-	375,880	375,880	425,880
Belfast City Council	-	6,364	6,364	30,000
Coronavirus Job Retention Scheme	-	-	-	72,707
	-	382,244	382,244	528,587
<b>Capital grant income</b>				
National Lottery Heritage Fund	-	478,930	478,930	1,532,094
	-	478,930	478,930	1,532,094
Theatre production and performance	9,428,859	-	9,428,859	5,003,164
Education and outreach	87,513	-	87,513	8,270
	9,516,372	861,174	10,377,546	7,072,115

#### 6. ANALYSIS OF INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Bar and front of house sales	1,140,078	-	1,140,078	512,346
Conference and events	20,289	-	20,289	9,764
Sale of programmes and merchandise	111,463	-	111,463	70,174
Sponsorship income	39,692	-	39,692	29,788
Friends scheme income	50,581	-	50,581	33,225
	1,362,103	-	1,362,103	655,297

## GRAND OPERA HOUSE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

#### 7. ANALYSIS OF INCOME FROM INVESTMENTS

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Interest from investments	103,161	-	103,161	2,569
	<u>103,161</u>	<u>-</u>	<u>103,161</u>	<u>2,569</u>

#### 8. ANALYSIS OF EXPENDITURE ON RAISING FUNDS

	Unrestricted and total 2023 £	Unrestricted and total 2022 £
Front of house services	793,066	475,482
Sponsorship income	-	11,100
Support costs (note 10)	647,795	536,505
	<u>1,440,861</u>	<u>1,023,087</u>

#### 9. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Activities undertaken directly 2023 £	Support costs 2023 £	Total 2023 £	Total 2022 £
Theatre production and performance	7,783,064	1,813,826	9,596,890	5,693,578
Education and outreach	166,995	129,560	296,555	172,004
	<u>7,950,059</u>	<u>1,943,386</u>	<u>9,893,445</u>	<u>5,865,582</u>

Support costs are further analysed in note 10.

## GRAND OPERA HOUSE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

#### 10. ANALYSIS OF SUPPORT COSTS

2023	Raising funds	Theatre production & performance	Education & outreach	Total
	2023 £	2023 £	2023 £	2023 £
Governance costs	8,523	23,865	1,705	34,093
General management and administration	170,850	478,382	34,170	683,402
IT and communications	46,303	129,648	9,261	185,212
Property costs	221,015	618,842	44,203	884,060
Depreciation	201,104	563,089	40,221	804,414
	<u>647,795</u>	<u>1,813,826</u>	<u>129,560</u>	<u>2,591,181</u>
2022	Raising funds	Theatre production & performance	Education & outreach	Total
	2022 £	2022 £	2022 £	2022 £
Governance costs	6,873	19,243	1,375	27,491
General management and administration	170,058	476,164	34,012	680,234
IT and communications	41,882	117,270	8,376	167,528
Property costs	131,294	367,623	26,259	525,176
Depreciation	186,398	521,914	37,280	745,592
	<u>536,505</u>	<u>1,502,214</u>	<u>107,302</u>	<u>2,146,021</u>

Support costs are allocated between the various activities on the basis of % area of the building in which these activities take place – e.g. raising funds (hospitality) 25%, theatre production and performance 70%, and education and outreach 5%.

## GRAND OPERA HOUSE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 March 2023

#### 11. NET INCOME/(LOSS) FOR THE YEAR

Net income/(loss) is stated after charging:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Depreciation of owned assets	804,414	745,592
Loss on disposal of fixed assets	-	4,151,182
Operating lease rentals	952	841
Auditor's remuneration		
- fees payable to the Trust's auditor for the audit of the Trust's financial statements	8,400	7,500
- fees payable to the Trust's auditor for the audit of the Trust's subsidiary	8,400	7,500
- fees payable to the Trust's auditor for other services to the group - taxation services	1,750	1,600
	<u>1,750</u>	<u>1,600</u>

#### 12. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

##### Staff costs

The average weekly number of employees (including full time, part time and casuals) was:

	<b>Group and Trust</b>	<b>Group and Trust</b>
	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Technical	20	14
Box office, marketing and stage door	21	19
Bars and front of house	50	33
Administration and support	16	12
	<u>107</u>	<u>78</u>

Their aggregate remuneration comprised:

	<b>Group and Trust</b>	<b>Group and Trust</b>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,895,691	1,374,602
Social security costs	149,948	103,369
Pension	87,558	67,458
	<u>2,133,197</u>	<u>1,545,429</u>

## GRAND OPERA HOUSE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

#### 12. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL (continued)

The pension expense, which is allocated to unrestricted funds, is allocated between the various activities e.g. raising funds (hospitality), theatre production and performance, education and outreach and support costs on the basis of the area of the business in which personnel operate. The pension expense allocated to support costs is allocated between the various activities in accordance with the allocation basis set out in note 10.

The above figures are stated before deduction of technical staff costs of £496,298 (2022: £284,809) recharged to production companies.

All employees are employees of Grand Opera House Trust. The Trust provides staff to The Grand Opera House (Theatre) Limited by way of a management charge.

Employees are members of a group personal pension scheme, a defined contribution arrangement, to which the Trust contributes between 3% and 5% of pensionable salary. Pension contributions outstanding at the year end were £8,528 (2022: £7,545).

The number of employees whose emoluments, excluding pension contributions but including benefits in kind, were in excess of £60,000 was:

	2023	2022
	£	£
£60,000 – £70,000	-	1
£70,000 – £80,000	1	-
£90,000 – £100,000	-	1
£100,000 – £110,000	1	-
	<u>1</u>	<u>2</u>

#### Key management personnel

The key management personnel of the group and Trust, the Chief Executive and the Trustees, are listed on page 1. The total compensation (including pension contributions, excluding social security costs) of the key management personnel of the group and Trust for the year, totalled £108,062 (2022: £97,729). The total social security costs of the key management personnel of the group and Trust for the year totalled £13,133 (2022: £11,020).

#### Trustees' remuneration and expenses

The Trustees were not remunerated in the year (2022: £nil). During the year no Trustees received reimbursement (2022: £nil) in respect of expenses incurred.

## GRAND OPERA HOUSE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

#### 13. TOTAL TAX CHARGE OF THE TRADING SUBSIDIARY FOR THE YEAR

	2023 £	2022 £
UK corporation tax charge on profit for the year	-	-
<b>Total tax on profit on ordinary activities</b>	<u>-</u>	<u>-</u>

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2023 £	2022 £
<b>Profit on ordinary activities before tax</b>	<u>64,235</u>	<u>13,020</u>
Tax on profit on ordinary activities at the standard UK corporation tax rate of 19 per cent (2022: 19 per cent)	12,205	2,474
Effects of:		
Gift aid credit	(12,205)	(1,500)
Tax losses brought forward	-	(974)
<b>Total tax charge for the year</b>	<u>-</u>	<u>-</u>

The Trust is a charity for tax purposes and is exempt from corporation tax on its charitable activities.

The trading subsidiary, The Grand Opera House (Theatre) Limited, has a policy of gifting its profits to the parent charity every year where distributable profits exist, with no tax charge arising. Where profits are not gifted to the parent charity they are subject to corporation tax.

At the Spring Budget 2021, the government announced that the Corporation Tax main rate would increase from 1 April 2023 to 25% for profits above £250,000. A small profits rate of 19% was also announced for companies with profits of £50,000 or less. Companies with profits between £50,000 and £250,000 will pay tax at the main rate, reduced by a marginal relief.

## GRAND OPERA HOUSE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

#### 14. TANGIBLE ASSETS

##### Group and company

	Theatre restoration £	Theatre extension £	Website £	Fixtures, fittings & plant £	Computer equipment £	Total £
<b>Cost</b>						
At 1 April 2022	10,450,039	5,312,417	23,876	470,086	170,669	16,427,087
Additions	150,870	-	-	284,247	-	435,117
Disposals	(127,114)	-	-	-	(522)	(127,636)
At 31 March 2023	<u>10,473,795</u>	<u>5,312,417</u>	<u>23,876</u>	<u>754,333</u>	<u>170,147</u>	<u>16,734,568</u>
<b>Depreciation</b>						
At 1 April 2022	707,182	1,179,059	23,299	291,779	74,615	2,275,934
Charge for year	638,254	77,384	577	52,320	35,879	804,414
Disposals	(127,114)	-	-	-	(522)	(127,636)
At 31 March 2023	<u>1,218,322</u>	<u>1,256,443</u>	<u>23,876</u>	<u>344,099</u>	<u>109,972</u>	<u>2,952,712</u>
<b>Net book value</b>						
At 31 March 2023	<u>9,255,473</u>	<u>4,055,974</u>	<u>-</u>	<u>410,234</u>	<u>60,175</u>	<u>13,781,856</u>
At 31 March 2022	<u>9,742,857</u>	<u>4,133,358</u>	<u>577</u>	<u>178,307</u>	<u>96,054</u>	<u>14,151,153</u>

As detailed in the Trustees' report, the freehold and long leasehold interest in the original theatre premises belongs to the Trust with onerous obligations under a Declaration of Trust.

The Trustees have prepared cash flows for the foreseeable future taking into account income generated from the running of the Theatre. On the basis of these projections, and allowing for the obligations within the Declaration of Trust, whilst the title of the original theatre premises is in the name of the Trust, the Trustees are of the opinion that the original theatre premises, does not have a present value in use. Accordingly no carrying value or depreciation in respect of the Trust's interest in the original theatre premises is reflected in these financial statements.

The Arts Council holds a deed of mortgage over the land relating to the site adjacent to the Theatre at 1A Great Victoria Street, with combined freehold and long leasehold title, which was acquired on 31 March 2003 for the purpose of the theatre extension. In the event of failure to adhere to the mortgage conditions the original theatre will revert to the Arts Council of Northern Ireland for £nil consideration.

## GRAND OPERA HOUSE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

#### 15. FIXED ASSET INVESTMENTS

##### Subsidiary undertaking

	Company 2023 £	Company 2022 £
<b>Cost</b>		
At 1 April 2022 and 31 March 2023	<u>100,001</u>	<u>100,001</u>

The Trust owns the entire issued ordinary share capital of The Grand Opera House (Theatre) Limited, a company incorporated and registered in Northern Ireland. The principal activity of The Grand Opera House (Theatre) Limited is the contracting and staging of theatrical productions and the operation of ancillary services in the Grand Opera House, Great Victoria Street, Belfast, for arts and entertainment purposes.

The result of the Trust's trading activities through its subsidiary undertaking is detailed below. The Grand Opera House (Theatre) Limited's taxable profits are gift aided to Trust provided that sufficient distributable profits exist.

	2023 £	2022 £
<b>Turnover</b>	10,830,648	5,628,674
Cost of sales	<u>(10,481,126)</u>	<u>(5,437,098)</u>
<b>Gross profit</b>	349,522	191,576
Administrative expenses	(332,073)	(208,520)
Other operating income	<u>46,786</u>	<u>29,964</u>
<b>Operating profit</b>	64,235	13,020
Payment under gift aid	<u>(64,235)</u>	<u>(7,896)</u>
<b>Retained profit for the year</b>	<u>-</u>	<u>5,124</u>

The aggregate of the assets and liabilities was:

	2023 £	2022 £
Current assets	4,316,953	4,711,787
Current liabilities	<u>(4,216,952)</u>	<u>(4,611,786)</u>
<b>Net assets</b>	<u>100,001</u>	<u>100,001</u>

During the year the subsidiary paid a licence fee and management charge to Grand Opera House Trust of £2,974,429 (2022: £1,517,530). This transaction has been eliminated on consolidation of the entities.

## GRAND OPERA HOUSE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

#### 16. STOCK

	Group 2023 £	Group 2022 £
Bar	10,293	8,754
Front of house	7,751	2,898
Merchandise	6,699	7,666
	<u>24,743</u>	<u>19,318</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

#### 17. DEBTORS

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Amounts falling due within one year:				
Trade debtors	22,462	24,576	-	-
Prepayments and accrued income	74,865	162,811	47,164	126,992
VAT recoverable	-	127,536	-	21,421
	<u>97,327</u>	<u>314,923</u>	<u>47,164</u>	<u>148,413</u>

#### 18. INVESTMENTS

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Unlisted investments (cash on deposit)	<u>7,850,508</u>	<u>6,250,979</u>	<u>7,850,508</u>	<u>6,250,979</u>

## GRAND OPERA HOUSE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 March 2023

#### 19. CREDITORS: amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade creditors	442,898	1,132,219	52,228	379,399
Other taxation and social security	38,759	39,494	38,759	39,494
VAT payable	46,295	-	18,171	-
Other creditors – third party sales	193,101	105,597	-	-
Accruals	512,245	663,804	138,554	267,675
Deferred income – advance sales	3,199,714	3,332,286	527	1,651
– sponsors	32,179	26,606	-	-
Amounts due to subsidiary undertaking	-	-	3,557,500	3,752,368
	<u>4,465,191</u>	<u>5,300,006</u>	<u>3,805,739</u>	<u>4,440,587</u>

#### Deferred income

	Group 2023 £	Group 2022 £
Brought forward	3,358,892	1,168,997
Released in the year	(3,358,892)	(856,277)
Deferred in the year	3,231,893	3,046,172
Carried forward	<u>3,231,893</u>	<u>3,358,892</u>

#### 20. FINANCIAL INSTRUMENTS

The carrying values of the group's and Trust's financial assets and liabilities carried at amortised cost are summarised by category below:

##### Financial assets at amortised cost

Measured at undiscounted amount receivable

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade and other debtors (note 17)	22,462	24,576	-	-
Cash	1,316,944	2,059,929	632,397	1,286,337
Unlisted current asset investments (note 18)	7,850,508	6,250,979	7,850,508	6,250,979
Unlisted fixed asset investments (note 15)	-	-	100,001	100,001
	<u>9,189,914</u>	<u>8,335,484</u>	<u>8,582,906</u>	<u>7,637,317</u>

## GRAND OPERA HOUSE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 March 2023

#### 20. FINANCIAL INSTRUMENTS (continued)

##### Financial liabilities at amortised cost

Measured at undiscounted amount payable

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade and other creditors (note 19)	1,148,244	1,901,620	3,748,282	4,399,442
	<u>1,148,244</u>	<u>1,901,620</u>	<u>3,748,282</u>	<u>4,399,442</u>

##### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. Group policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate appropriate payment history and satisfy credit worthiness procedures. Given that the majority of the group's sales are ticket sales payable at the time of booking, the group's exposure to credit risk is not significant.

##### *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations. The group maintains regular contact with its bankers and utilises online banking systems to monitor cash flow performance to manage the group's liquidity risk. The group holds current asset investments with a number of financial institutions to mitigate the risk further.

## GRAND OPERA HOUSE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

#### 21. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
<b>Incoming from:</b>				
Donations and legacies	4	36,786	297,829	334,615
Charitable activities	5	5,011,434	2,060,681	7,072,115
Other trading activities	6	655,297	-	655,297
Investments	7	2,569	-	2,569
<b>Total income</b>		<b>5,706,086</b>	<b>2,358,510</b>	<b>8,064,596</b>
<b>Expenditure on:</b>				
Raising funds	8	870,428	152,659	1,023,087
Charitable activities	9	4,879,022	986,560	5,865,582
Loss on disposal of fixed assets		280,657	3,870,525	4,151,182
<b>Total expenditure</b>		<b>6,030,107</b>	<b>5,009,744</b>	<b>11,039,851</b>
<b>Net loss before tax</b>		<b>(324,021)</b>	<b>(2,651,234)</b>	<b>(2,975,255)</b>
Taxation		-	-	-
<b>Net loss for the year</b>	11	<b>(324,021)</b>	<b>(2,651,234)</b>	<b>(2,975,255)</b>
Transfer between funds		-	-	-
<b>Net movement in funds</b>		<b>(324,021)</b>	<b>(2,651,234)</b>	<b>(2,975,255)</b>
<b>Reconciliation of funds</b>				
Total funds brought forward		5,091,793	15,379,758	20,471,551
<b>Total funds carried forward</b>		<b>4,767,772</b>	<b>12,728,524</b>	<b>17,496,296</b>

## GRAND OPERA HOUSE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

#### 22. MOVEMENT IN FUNDS

##### Unrestricted funds - Group

	At 1 April 2022 £	Income £	Transfer £	Expenditure £	At 31 March 2023 £
General reserve fund	1,644,297	11,026,946	(595,052)	(10,227,289)	1,848,902
Designated capital & major repairs fund	3,123,475	-	595,052	(85,775)	3,632,752
<b>Total unrestricted funds</b>	<u>4,767,772</u>	<u>11,026,946</u>	<u>-</u>	<u>(10,313,064)</u>	<u>5,481,654</u>

##### Unrestricted funds - Trust

	At 1 April 2022 £	Income £	Transfer £	Expenditure £	At 31 March 2023 £
General reserve fund	1,644,297	3,187,335	(595,052)	(2,387,678)	1,848,902
Designated capital & major repairs fund	3,123,475	-	595,052	(85,775)	3,632,752
<b>Total unrestricted funds</b>	<u>4,767,772</u>	<u>3,187,335</u>	<u>-</u>	<u>(2,473,453)</u>	<u>5,481,654</u>

## GRAND OPERA HOUSE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

#### 22. MOVEMENT IN FUNDS (continued)

Restricted funds - Group and Trust	At 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
<b>Capital project funds</b>				
Theatre extension fund	4,133,358	-	(77,384)	4,055,974
Theatre restoration fund	5,242,357	478,930	(361,480)	5,359,807
	<u>9,375,715</u>	<u>478,930</u>	<u>(438,864)</u>	<u>9,415,781</u>
<b>Equipment fund</b>	15,729	-	(9,134)	6,595
<b>Annual operating funds</b>				
Annual core operating fund	-	375,880	(375,880)	-
Education and outreach fund	-	6,364	(6,364)	-
	<u>-</u>	<u>382,244</u>	<u>(382,244)</u>	<u>-</u>
<b>Restoration levy fund</b>	3,337,080	556,077	(191,000)	3,702,157
<b>Total restricted funds</b>	<u>12,728,524</u>	<u>1,417,251</u>	<u>(1,021,242)</u>	<u>13,124,533</u>

#### General reserve fund

The general reserve fund is available to be applied at the discretion of the Trustees to any of the Grand Opera House's activities.

#### Designated capital & major repairs fund

This fund includes funds spent on the restoration project in 2020 and 2021, along with the related depreciation on the assets acquired with this fund, and funds available for future capital and major repair works.

#### Theatre extension fund

Includes funding received by way of grants, donations and sponsorship from a variety of donors towards the extension of the theatre and the flattening of the stage within the Main Auditorium along with the related depreciation on the assets acquired with this fund.

#### Theatre restoration fund

Includes funding received by way of grants towards the restoration and development project undertaken in 2020 and 2021 along with the related depreciation on the assets acquired with this fund.

#### Equipment fund

Includes funding received from the Arts Council of Northern Ireland and Department for Communities towards capital equipment.

#### Annual core operating fund

Includes funding received from the Arts Council of Northern Ireland towards the core operating costs of the theatre. This grant is spent in the financial year in its entirety.

#### Education and outreach fund

Includes funding received from Belfast City Council towards the costs of undertaking an education and outreach programme. This grant is spent in the financial year in its entirety.

## GRAND OPERA HOUSE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

#### 22. MOVEMENT IN FUNDS (continued)

##### Restoration levy fund

These are funds generated by way of a levy added to all ticket sales, to be used in the preservation, improvement and enhancement of the historic listed building, stage and Main Auditorium fixtures and fittings, health and safety obligations and in all areas of customer service to ensure that the comfort and safety of all customers and visitors is maintained to the highest standard.

#### 23. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS FOR THE GROUP

	Unrestricted funds £	Restricted funds £	Total 2023 £
<b>Group</b>			
Fixed assets	1,682,574	12,099,282	13,781,856
Current assets	8,264,271	1,025,251	9,289,522
Current liabilities	(4,465,191)	-	(4,465,191)
	<u>5,481,654</u>	<u>13,124,533</u>	<u>18,606,187</u>
At 31 March 2023	<u>5,481,654</u>	<u>13,124,533</u>	<u>18,606,187</u>

	Unrestricted funds £	Restricted funds £	Total 2023 £
<b>Trust</b>			
Fixed assets	1,782,575	12,099,282	13,881,857
Current assets	7,504,818	1,025,251	8,530,069
Current liabilities	(3,805,739)	-	(3,805,739)
	<u>5,481,654</u>	<u>13,124,533</u>	<u>18,606,187</u>
At 31 March 2023	<u>5,481,654</u>	<u>13,124,533</u>	<u>18,606,187</u>

#### 24. FINANCIAL COMMITMENTS AND CONTINGENCIES

##### Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2023 £	2022 £
Plant and machinery		
Leases which expire:		
Within one year	952	952
Between one and five years	1,349	2,301
	<u>2,301</u>	<u>3,253</u>

## GRAND OPERA HOUSE TRUST

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

#### 24. FINANCIAL COMMITMENTS AND CONTINGENCIES (continued)

Other

- (i) Commitments exist arising out of contracts in the ordinary course of business in connection with guaranteed minimum payments relating to specific performances, the effect of which is not quantifiable.
- (ii) The DCAL grant administered by ACNI of £3,950,000 in 2003 in respect of the new building is repayable in certain circumstances, principally, if the Trust no longer retains and operates the Theatre, or if the Trust disposes of the new building before March 2028.

#### 25. RECONCILIATION OF NET INCOME/(LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES AND ANALYSIS OF CHANGES IN NET DEBT

##### Reconciliation of net income/(loss) to net cash flows from operating activities

	2023 £	2022 £
Net income/(loss) for the year	1,109,891	(2,975,255)
Interest from investments	(103,161)	(2,569)
Depreciation	804,414	745,592
Loss on disposal of fixed assets	-	4,151,182
Decrease in debtors	223,236	370,994
Increase in stock	(5,425)	(19,318)
(Decrease)/increase in creditors	(834,815)	3,225,344
	<u>1,194,140</u>	<u>5,495,970</u>
Net cash flows generated from operating activities	<u>1,194,140</u>	<u>5,495,970</u>

##### Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	2,059,929	(742,985)	1,316,944
	<u>2,059,929</u>	<u>(742,985)</u>	<u>1,316,944</u>

#### 26. RELATED PARTY TRANSACTIONS

All transactions between the Trust and subsidiary, The Grand Opera House (Theatre) Limited, are eliminated on consolidation. The Trust has taken advantage of the exemption granted by paragraph 33.1A of FRS102, Related Party Disclosures, not to disclose transactions with its subsidiary company, The Grand Opera House (Theatre) Limited.

The Northern Ireland Chamber of Commerce was a related party of Grand Opera House Trust until 13 December 2022 by virtue of the fact that Ann McGregor was Chief Executive of the Northern Ireland Chamber of Commerce and a director of the company. Payment of £1,250 (2022: £625) was made to the Northern Ireland Chamber of Commerce for its annual subscription by Grand Opera House Trust. The amount receivable from this company to The Grand Opera House (Theatre) Limited during the year was £2,430 (2022: £nil) for hospitality services. At 31 March 2023, the balance owed to The Grand Opera House (Theatre) Limited was £nil (2022: £nil).