

The Theatres Trust
Financial Statements
For the year ended 31 March 2023

The Theatres Trust

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The Theatres Trust

Trust information

Trustees:	David Moutrey OBE Katherine Town Patrick Dillon Tim Eyles Richard Baldwin Paul Cartwright James Dacre Suba Das Annie Hampson Stephanie Hall Richard Johnston Gary Kemp Lucy Osborne Jane Spiers Truda Spruyt	(Chair - appointed 21 February 2022) <i>(Interim Chair from 1 January 2022 to 20 February 2022)</i> <i>(Interim Chair from 1 September 2021 to 31 December 2021 - retired 31 December 2021)</i> <i>(Chair - retired 31 August 2021)</i> (retired 31 December 2021) (appointed 21 February 2022) (appointed 21 February 2022) (appointed 21 February 2022) (appointed 21 February 2022)
Director	Jon Morgan	
Auditors	Saffery Champness Chartered Accountants Statutory Auditors 71 Queen Victoria Street London EC4V 4BE	

The Theatres Trust was established in 1976 through The Theatres Trust Act. In 1978 The Theatres Trust (Scotland) Act extended the Trust's remit to Scotland. The Theatres Trust (Scotland) Act requires that one of the trustees be a person who appears to the Secretary of State to have special knowledge of Scotland. Jane Spiers is the trustee appointed to fulfil this role.

The Theatres Trust

Trustees' responsibilities in relation to the financial statements For the year ended 31 March 2023

The Trustees are responsible for preparing a Trustees' report and financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that The Theatres Trust will continue in operation.

The Trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of The Theatres Trust and to enable them to ensure that the financial statements comply with United Kingdom Accounting Standards, the accounting policies of the Trust and the provisions of the trust deed. They are also responsible for safeguarding the assets of The Theatres Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Theatres Trust

Independent auditor's report to the Trustees For the year ended 31 March 2023

Opinion

We have audited the financial statements of The Theatres Trust for the year ended 31 March 2023 which comprise the income and expenditure account, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2023 and of its incoming resources and application of resources including its income and expenditure for the year then ended; and
- have been properly prepared in accordance with 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

**Independent auditor's report to the Trustees
For the year ended 31 March 2023**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing 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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 2, the trustees 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the Trust's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the trust by discussions with trustees and updating our understanding of the sector in which the Trust operates.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the Trust's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the Trust's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

The Theatres Trust

Independent auditor's report to the Trustees For the year ended 31 March 2023


During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Trust's trustees. Our audit work has been undertaken so that we might state to the Trust'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 Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Saffery Champness

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 11 October 2023

The Theatres Trust

Income and expenditure account For the year ended 31 March 2023

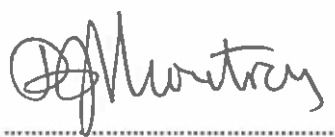
	Year ended 31 March 2023		Year ended 31 March 2022	
	£	£	£	£
Income				
Theatre rents receivable		457,500		416,577
Interest receivable		-		20
Sale of proprietary seats		127,169		75,389
Conferences and events		63,602		43,699
Other income		4,654		34,912
Total income		<u>652,925</u>		<u>570,597</u>
Expenses				
Conferences and events	58,828		47,637	
Administrative expenses	135,045		115,879	
Covenanted payment	440,059		401,738	
Legal and professional fees	12,500		-	
Audit fee	6,000		4,900	
Bank charges	493		443	
Total expenditure		<u>(652,925)</u>		<u>(570,597)</u>
Results for the year before taxation		<u>-</u>		<u>-</u>
Tax		-		-
Results for the year after taxation		<u>-</u>		<u>-</u>

The Theatres Trust

Balance sheet
As at 31 March 2023

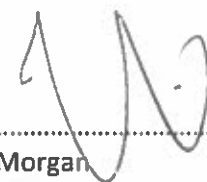
	Notes	£	2023 £	£	2022 £
Fixed assets					
Tangible assets	3		<u>2</u>		<u>2</u>
			2		2
Current assets					
Debtors	4	163,460		145,632	
Cash at bank and in hand		<u>201,620</u>		<u>202,431</u>	
		365,080		348,063	
Creditors: Amounts falling due within one year	5	<u>(148,437)</u>		<u>(131,420)</u>	
Net current assets			216,643		216,643
Total assets less current liabilities			<u>216,645</u>		<u>216,645</u>
Represented by:					
Other reserves	6		150,000		150,000
Accumulated fund account	6		<u>66,645</u>		<u>66,645</u>
			<u>216,645</u>		<u>216,645</u>

Approved by the Trustees and authorised for issue on 26 September 2023 and signed on their behalf by:



David Moutrey
Chair

26/9 2023



Jon Morgan
Director

26/9/2023

The Theatres Trust

Statement of cash flows For the year ended 31 March 2023

	Notes	£	2023 £	£	2022 £
Cash flows from operating activities					
Net cash (used in)/provided by operations	7		(811)		(122,106)
Cash flows from investing activities					
Interest income		<u>-</u>		<u>20</u>	
Net cash flows from investing activities			<u>-</u>		<u>20</u>
Change in cash and cash equivalents in the reporting period			<u>(811)</u>		<u>(122,086)</u>
Cash and cash equivalents at the beginning of the reporting period			202,431		324,517
Cash and cash equivalents at the end of the reporting period			<u>201,620</u>		<u>202,431</u>

1 Accounting policies

The following policies have been used in dealing with items which are considered material in relation to the Trust's financial statements.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). The disclosure requirements of section 1A have been applied other than where additional disclosure is required to show a true and fair view. The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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

The Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

After reviewing the Trust's forecasts and projections, the trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The Trust therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 Income

Revenue represents amounts received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and trade discounts.

Revenue is recognised when the significant risks and rewards of ownership have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The income of the Trust principally comprises rents, interest receivable and the sale of proprietary seats at the Lyceum Theatre.

1.4 Expenditure

The administration of the Trust is carried out by The Theatres Trust Charitable Fund, which makes a charge for this work.

1.5 Tangible fixed assets and depreciation

Tangible assets other than freehold land are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Office equipment and furniture	25% on cost
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1 Accounting policies (continued)

1.6 Impairment of fixed assets

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

1.7 Direct taxation

Provision for corporation tax payable is made based on the profit for the year. Provision is made for all deferred tax arising as a result of timing differences.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and bank overdrafts.

1.9 Financial instruments

The Trust only has financial assets and financial 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. There were no bank loans in the year.

2 Critical accounting judgements and key sources of estimation uncertainty

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

The Theatres Trust

Notes to the financial statements
For the year ended 31 March 2023

3 Tangible fixed assets

	Freehold Land & Buildings	Office Equipment & Furniture	Total 2023
	£	£	£
Cost			
At 1 April 2022 & 31 March 2023	2	1,347	1,349
Depreciation			
At 1 April 2022 & 31 March 2023	-	1,347	1,347
Net book value			
At 31 March 2023	<u>2</u>	<u>-</u>	<u>2</u>
At 31 March 2022	<u>2</u>	<u>-</u>	<u>2</u>

The freehold land and buildings represent the cost of the Garrick, Lyric and Lyceum Theatres which were transferred to The Theatres Trust for a nominal sum in 1985. These theatres are held by the Trust for the benefit of the nation. No attempt has been made to place a market value on them as the cost of obtaining valuations would outweigh any benefits.

4 Debtors

	2023 £	2022 £
Trade debtors	131,287	131,288
Prepayments and accrued income	32,173	14,344
Amounts due from the Theatres Trust Charitable Fund	-	-
Total debtors	<u>163,460</u>	<u>145,632</u>

5 Creditors

Amounts falling due within one year:

	2023 £	2022 £
Trade creditors	-	-
Other taxation and social security	18,364	18,990
Accruals and deferred income	119,935	106,034
Amounts due to the Theatres Trust Charitable Fund	10,138	6,396
Total creditors	<u>148,437</u>	<u>131,420</u>

The amount due to The Theatres Trust Charitable Fund is repayable on demand.

The Theatres Trust

Notes to the financial statements For the year ended 31 March 2023

6 Statement of movements on funds

	Capital Provision Fund £	Accumulated Fund £	Total 2023 £
Balance brought forward 1 April 2022	150,000	66,645	216,645
Surplus/(deficit) for the year after tax	-	-	-
Balance carried forward 31 March 2023	<u>150,000</u>	<u>66,645</u>	<u>216,645</u>

7 Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Result for the financial year	-	-
Adjustments for:		
Net interest income	-	(20)
(Increase)/decrease in debtors	(17,828)	(145,290)
Increase/(decrease) in creditors	17,017	23,204
Net cash (used in)/provided by operating activities	<u>(811)</u>	<u>(122,106)</u>

8 Related party transactions

The Theatres Trust was set up by an Act of Parliament in 1976 to promote the better protection of theatres for the benefit of the nation. The Trust works closely with The Theatres Trust Charitable Fund sharing the same Trustees, staff and offices. The charge for the year by the Charitable Fund to The Theatres Trust was £135,045 (2021/22: £115,879). The Trust made a covenanted payment of £440,059 (2021/22: £401,738) to the Charitable Fund in the year ending 31 March 2023. At the balance sheet date there were amounts totalling £10,138 (2021/22: £6,396) owed to The Theatres Trust Charitable Fund by The Theatres Trust.

9 Commitments under operating leases: Lessor

At the reporting end date the Trust had contracted with tenants for the following minimum lease receipts:

	2023 £	2022 £
Within one year	464,125	437,625
Between two and five years	1,872,750	1,750,500
In over five years	2,045,625	2,365,125
	<u>4,382,500</u>	<u>4,553,250</u>