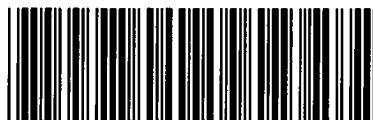


Charity Registration No. 1129007

Company Registration No. 05988546 (England and Wales)

ROYAL COURT LIVERPOOL TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2018

MONDAY



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COMPANIES HOUSE

ROYAL COURT LIVERPOOL TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr J M Falkingham
Mr M P Featherstone-Witty
Mr M J Best
Councillor W A Simon
Professor N P Weatherill (Vice chair)
Dr Professor J H Godber
Mr M L Steinberg
Mrs S Wilde Mckeown (Chair)
Miss H E Summers
Mr M R W Bessman
Mr K E Dunn

Chief Executive & Secretary

Miss G I Miller

Charity number

1129007

Company number

05988546

Registered office

Royal Court Theatre
1 Roe Street
Liverpool
L1 1HL

Auditor

DSG
Castle Chambers
43 Castle Street
Liverpool
L2 9TL

ROYAL COURT LIVERPOOL TRUST LIMITED

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ROYAL COURT LIVERPOOL TRUST LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE PERIOD ENDED 31 MARCH 2018

The Trustees present their report and accounts for the period ended 31 March 2018 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes:

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Trust's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The Trust's objectives are:

-To conserve and preserve historic buildings and other structures for the benefit of the public, without prejudice to the generality of the foregoing in particular the Royal Court Theatre in Liverpool.

-To advance the education of the public in the arts, including but not exclusively theatre and the performing arts.

-To promote for the benefit of the inhabitants of Merseyside and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have the need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants and members of the general public in drama, opera, music and other arts.

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

Achievements and performance

During the sixteen months from 1st December 2016 – 31 March 2018 the theatre was closed for three months to enable Act III capital improvements to be delivered.

Act III improvements included:

Basement

The existing venue was upgraded with new seating, floor, soundproofing, bars, toilets to create a 150 seat Studio theatre which will enable small theatre shows, music and cabaret events to be staged.

Backstage

Four floors of dressing rooms were upgraded with new shower facilities, disabled access, heating and lighting. The backstage lift was reinstated. All stage lighting was renewed with LED to make the running of the theatre more efficient. The original revolve stage was renovated and brought back into use. A new hearing system was installed in the auditorium and Studio spaces to make theatre productions more accessible.

Balcony

A new entrance into the balcony was created on the third floor to improve access. A new bar and toilets were installed. Access to seating in the balcony was improved by introducing new stairways in the auditorium.

Act III is due to finish in October 2018. The theatre remained open throughout most of the capital works with restrictions on certain areas of the theatre.

ROYAL COURT LIVERPOOL TRUST LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

The Trust purchased the former Penny Farthing public house and transformed it into The Courtyard Bar & Kitchen. The Courtyard provides an addition to the pre-theatre dining experience offered in the theatre which tends to sell out each evening at 160 diners. The Courtyard gives customers in the circle and balcony the opportunity to dine before the show. The Courtyard is open to anyone whether they are a theatre audience member or not. It is open from 12 noon seven days a week and has significantly improved the look of the area outside the theatre known as the St George's Quarter.

During the period January – March 2018 the theatre launched its 80th birthday celebrations to mark the 80th anniversary of the current art deco building. The café was rebranded Café 38 with pictures of some of the famous names that played at the theatre including Dame Judi Dench and Richard Burton who both made their acting debut at Liverpool's Royal Court.

The Trust continued to work closely with theatre operators, Liverpool Theatre Management, to ensure that the building was continually programmed with high quality performances. These included:

Show Title	Attendees
Scouse Of The Rising Sun	26,231
Brick Up 2	21,389
Lost Soul	18,907
The Lonesome West	5,962
The Royal	14,013
YNWA 2017	11,089
The Scouse Nativity	42,009
Her Benny	12,472
Council Depot Blues	15,348
Total	167,420

Royal Court Liverpool Trust became an Arts Council of England National Portfolio Organisation on 1st April 2018 – 31 March 2022. This means that the Trust is part of the Arts Council family and will receive revenue funding of £225,000 each year for four years to deliver a programme of events and activities including:

Youth Theatre

The Trust continued to develop its free youth theatre offer for 11 – 19 year olds. Sessions were run at the Merseyside Youth Association in the centre of Liverpool. During the period there were:

- 300 free to access workshop sessions for young people
- 16 free to access Summer School sessions held at Merseyside Youth Association
- 1 large scale production
- 26 dance classes
- 24 professional masterclasses

Community Choir

Continues to meet weekly at the theatre and remains free to access with no auditions. The choir staged a number of free performances throughout the year and twelve members performed in the professional main house show, The Scouse Nativity.

Terriers

A play by Maurice Bessman which is delivered in partnership with Merseyside Police and with support from the Crime Commissioners Crime Prevention Fund. Terriers toured to schools throughout Merseyside and to Birmingham, Wales, Croydon, Manchester and Leeds.

Research and development was carried out for a new play, Terriers 2 Eve's Story, a sequel to the original Terriers. Eve's Story, also written by Maurice Bessman tells the story of Eve, one of the characters in Terriers. It focusses on truancy, sexual exploitation and knife crime and is targeted at young people aged 11+. It will tour to schools throughout Autumn 2018 and Spring 2019.

ROYAL COURT LIVERPOOL TRUST LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

Variety Lunch Club

Due to popular demand, Variety Lunch Club events have increased in number from twelve per year to twenty per year. Ticket prices remain low at £3 for the show and £6 for show, tea and bowl of Scouse. Over 11,000 older people bought tickets for events during this accounting period.

Boisterous

The Trust supported the development of a new Black Theatre Company, Boisterous, led by Miriam Mussa, Head of Education for the Trust and Trustee, Maurice Bessman. The first Boisterous production was staged at the theatre in May 2018.

Heritage Tours

David Brown continues to lead regular heritage tours of the theatre. In addition several tours for architects took place. The theatre won two Royal Institute of British Architect awards and one national RIBA award.

Financial review

The Trust had total incoming resources in the sum of £2,508,528 (2016 Year: £2,107,992) during the 16 month period and expended £640,189 (2016 Year : £538,291) resulting in net income for the period of £1,868,339 (2016 Year : £1,569,701).

Of the income received in the period £2,095,009 (2016 Year:£1,774,520) related to the capital works and is included within restricted funds. At the period end the trust had net assets of £7,472,998 (2016: £5,604,659) of which £7,266,159 (2016: £5,416,475) is held within restricted funds and £206,839 (2016:£188,184) within unrestricted funds.

Activities during the period are in line with expectations.

It is the aim of the Trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Trust's current activities while consideration is given to ways in which additional funds may be raised.

Revenue and capital grants remain the principle sources of funding.

The Trustees have assessed the major risks to which the Trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Our risk register is reviewed on a regular basis by the Trustees and senior management. Mitigating actions are taken to minimise the likelihood and impact of all risks. The following are the key risks and uncertainties facing the charity :-

- Funding reductions from our principle sources of income
- Capital development costs exceeding budget
- Unexpected major repair costs
- Non-financial risks arising from fire, health and safety of artists and audience
- Loss of key senior staff and consultants

Plans for future periods

The Trust is now focussing on Act IV. This will complete the theatre complex and include the addition of two floors to The Courtyard with corridor which will join the theatre building to the Act IV extension. This will provide additional rehearsal space which the youth theatre, community choir and People's Players can use on a regular basis. In addition the new space can be rented out to increase theatre revenue. Additional dressing rooms, wardrobe facilities, staff room and office space will help to attract larger operators which currently bypass Liverpool due to lack of a suitable theatre venue. Act IV will have a significant impact on the resilience and sustainability of the theatre going forward.

ROYAL COURT LIVERPOOL TRUST LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

Structure, governance and management

The Trust is a company limited by guarantee and a registered charity. Its governing document is its Memorandum and Articles of Association as amended by special resolution dated 19 March 2008.

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

Mr J M Falkingham
Mr M P Featherstone-Witty
Mr M J Best
Councillor W A Simon
Professor N P Weatherill (Vice chair)
Dr Professor J H Godber
Mr M L Steinberg
Mrs S Wilde Mckeown (Chair)
Miss H E Summers
Mr M R W Bessman
Mr K E Dunn

The Board of Trustees govern the policy of the charity. All trustees give of their time freely and no remuneration was paid in the year. The management of the charity is delegated to the Chief Executive Officer, G Miller and Kevin Dunn, who are responsible to the board of Trustees for all aspects of the operation of the charity.

New Trustees are elected at a meeting of the board of Trustee and are appointed on merit for their standing in the community and particular skills and success in their own field of work and in relation to the aims and objectives of the Trust.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Trustees have responsibility for setting the pay and remuneration of the charity's key personnel and this is done on an annual basis, including a formal cost of living review. Salaries are benchmarked with other similar organisations across the sector.

Mr K J Fearon is Chief Executive of Liverpool Theatres Management (not a director), a director of Liverpool Food Company Limited, Simply Tickets Limited and Sightlines Limited, and the husband of G Miller, Chief Executive of the Royal Court Liverpool Trust Limited.

Auditor

The auditor, DSG, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of information to auditor

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

The Trustees report was approved by the Board of Trustees.



Mr M J Best

Trustee

Dated: 29 November 2018

ROYAL COURT LIVERPOOL TRUST LIMITED

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE PERIOD ENDED 31 MARCH 2018

The Trustees, who are also the directors of Royal Court Liverpool Trust Limited for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ROYAL COURT LIVERPOOL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ROYAL COURT LIVERPOOL TRUST LIMITED

Opinion

We have audited the financial statements of Royal Court Liverpool Trust Limited (the 'Trust') for the period ended 31 March 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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 accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

ROYAL COURT LIVERPOOL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ROYAL COURT LIVERPOOL TRUST LIMITED

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 directors' report included within the Trustees report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees, who are also the directors of the Trust 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 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 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 Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

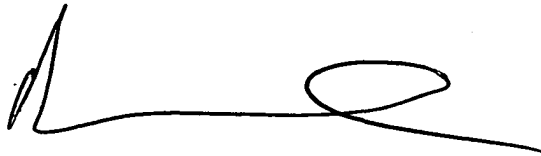
ROYAL COURT LIVERPOOL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ROYAL COURT LIVERPOOL TRUST LIMITED

Use of our report

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



Andrew Moss BA FCA (Senior Statutory Auditor)
for and on behalf of DSG

29 November 2018

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

ROYAL COURT LIVERPOOL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2018

		Unrestricted funds	Restricted funds	Period March Total 2018	Year November Total 2016
	Notes	£	£	£	£
<u>Income and endowments from:</u>					
Donations and legacies	3	234,223	2,120,662	2,354,885	1,946,881
Charitable activities	4	152,689	-	152,689	159,968
Investments	5	58	-	58	64
Other income	6	896	-	896	1,079
Total income		387,866	2,120,662	2,508,528	2,107,992
<u>Expenditure on:</u>					
Charitable activities	7	368,856	270,978	639,834	537,675
Other	11	355	-	355	616
Total resources expended		369,211	270,978	640,189	538,291
Net income for the year/ Net movement in funds		18,655	1,849,684	1,868,339	1,569,701
Fund balances at 1 December 2016		188,184	5,416,475	5,604,659	4,034,958
Fund balances at 31 March 2018		206,839	7,266,159	7,472,998	5,604,659

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

ROYAL COURT LIVERPOOL TRUST LIMITED

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	£	March 2018 £	£	November 2016 £	£
Fixed assets						
Tangible assets	12		7,493,795		4,694,589	
Current assets						
Debtors	14	122,395		744,870		
Cash at bank and in hand		183,138		250,456		
		305,533		995,326		
Creditors: amounts falling due within one year	15	(326,330)		(85,256)		
Net current (liabilities)/assets			(20,797)		910,070	
Total assets less current liabilities			7,472,998		5,604,659	
Income funds						
Restricted funds	16		7,266,159		5,416,475	
Unrestricted funds			206,839		188,184	
			7,472,998		5,604,659	

The financial statements were approved by the Trustees on 29 November 2018



Mr M J Best
Trustee

Company Registration No. 05988546

ROYAL COURT LIVERPOOL TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2018

		Period March 2018		Year November 2016	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	22		2,972,287		1,195,624
Investing activities					
Purchase of tangible fixed assets		(3,039,663)		(1,088,805)	
Interest received		58		64	
Net cash used in investing activities			(3,039,605)		(1,088,741)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(67,318)		106,883
Cash and cash equivalents at beginning of period			250,456		143,573
Cash and cash equivalents at end of period			183,138		250,456

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2018

1 Accounting policies

Charity information

Royal Court Liverpool Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Royal Court Theatre, 1 Roe Street, Liverpool, L1 1HL.

1.1 Accounting convention

The accounts have been prepared in accordance with the Trust's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Trust is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The accounts have been prepared for the sixteen months ended 31 March 2018. The previous accounts were prepared for the year ended 30 November 2016. The comparative amounts presented in the financial statements (including the related notes) are, therefore, not entirely comparable.

1.2 Going concern

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

1.3 Charitable funds

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

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

1.4 Incoming resources

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

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

1.5 Resources expended

Expenditure is accounted for on an accruals basis.

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

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

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 bases:

Land and buildings	2% straight line
Leasehold improvements	2% straight line
Fixtures, fittings, equipment & computers	3 years and 10 years straight line

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

Depreciation is not charged on assets under construction.

1.7 Impairment of fixed assets

At each reporting end date, the Trust 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).

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

Basic financial assets

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

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Trust transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

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

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

1.11 Retirement benefits

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

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds	Restricted funds	Period March Total 2018	Year November Total 2016
	£	£	£	£
Donations and gifts	234,223	2,120,662	2,354,885	1,946,881
For the year ended 30 November 2016	104,861	1,842,020		1,946,881
Donations and gifts				
£1 Ticket levy	116,111	-	116,111	86,905
Granada Foundation- Capital	-	20,000	20,000	-
Big Lottery Fund	-	-	-	10,000
Esmee Fairburn Foundation	-	20,000	20,000	-
Liverpool City Council - Revenue Grants	40,000	-	40,000	35,000
Liverpool City Council - Capital Grant	-	75,000	75,000	1,725,000
Heritage Lottery Fund	-	39,700	39,700	-
Arts Council England - Capital Grant	-	1,805,309	1,805,309	69,675
Foyle Foundation - Capital	-	40,000	40,000	-
Garfield Weston Foundation - Capital	-	100,000	100,000	-
Other	78,112	20,653	98,765	20,301
	234,223	2,120,662	2,354,885	1,946,881

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

4 Charitable activities

	Period March 2018 £	Year November 2016 £
Sales within charitable activities	69,989	129,968
Charitable rental income	82,700	30,000
	<u>152,689</u>	<u>159,968</u>
Analysis by fund		
Unrestricted funds	<u>152,689</u>	
For the year ended 30 November 2016		
Unrestricted funds		102,841
Restricted funds		<u>57,127</u>
		<u>159,968</u>

5 Investments

	Period March 2018 £	Year November 2016 £
Interest receivable	<u>58</u>	<u>64</u>

6 Other income

	Period March 2018 £	Year November 2016 £
Other income	<u>896</u>	<u>1,079</u>

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

7 Charitable activities

	Period March 2018 £	Year November 2016 £
Staff costs	89,128	96,069
Depreciation and impairment	240,457	160,852
Event fees	1,608	659
Marketing and publicity	5,032	1,043
Rent and rates	66,817	11,475
Insurance	27,625	16,227
Workshops	140	206
Sundry expenses, hospitality and travel	2,535	1,631
Printing, postage and stationery	1,508	1,310
Youth Theatre	123,084	154,605
Repairs and renewals	223	-
Legal, professional and consultancy	14,024	8,137
Chief Executive fees	53,333	73,400
Archive project costs	-	8,061
Black Theatre Company	8,820	-
	<u>634,334</u>	<u>533,675</u>
Share of governance costs (see note 8)	5,500	4,000
	<u>639,834</u>	<u>537,675</u>
Analysis by fund		
Unrestricted funds	368,856	
Restricted funds	270,978	
	<u>639,834</u>	
For the year ended 30 November 2016		
Unrestricted funds		301,823
Restricted funds		235,852
		<u>537,675</u>

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

8 Support costs

	Support costs	Governance costs	Period March 2018	Year November 2016	Basis of allocation
	£	£	£	£	
Audit fees	-	5,500	5,500	4,000	Governance
	-	5,500	5,500	4,000	
Analysed between Charitable activities	-	5,500	5,500	4,000	

Governance costs include payments to the auditors of £5,500 (November 2016: £4,000) in respect of audit fees.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Trust during the period.

10 Employees

Number of employees

The average monthly number of employees during the period was:

	Period March 2018 Number	Year November 2016 Number
	3	4
Employment costs		
	Period March 2018 £	Year November 2016 £
Wages and salaries	84,929	91,570
Social security costs	3,731	4,499
Other pension costs	468	-
	89,128	96,069

No employees receive total employee benefit of over £60,000.

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

11 Other

	Period March 2018	Year November 2016
	£	£
Financing costs	355	616
	<u>355</u>	<u>616</u>

12 Tangible fixed assets

	Land and buildings	Leasehold improvements	Fixtures, fittings, equipment & computers	Total
	£	£	£	£
Cost				
At 1 December 2016	911,072	3,990,788	97,036	4,998,896
Additions	301,701	2,586,222	151,740	3,039,663
At 31 March 2018	<u>1,212,773</u>	<u>6,577,010</u>	<u>248,776</u>	<u>8,038,559</u>
Depreciation and impairment				
At 1 December 2016	-	290,849	13,458	304,307
Depreciation charged in the period	32,341	175,387	32,729	240,457
At 31 March 2018	<u>32,341</u>	<u>466,236</u>	<u>46,187</u>	<u>544,764</u>
Carrying amount				
At 31 March 2018	<u>1,180,432</u>	<u>6,110,774</u>	<u>202,589</u>	<u>7,493,795</u>
At 30 November 2016	<u>911,072</u>	<u>3,699,939</u>	<u>83,578</u>	<u>4,694,589</u>

Liverpool City Council and The Arts Council of England have a legal charges over the goodwill, property and all other assets of the charity.

13 Financial instruments

	Period March 2018	Year November 2016
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	-	8,445
Carrying amount of financial liabilities		
Measured at amortised cost	<u>324,042</u>	<u>83,773</u>

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

14 Debtors

	March 2018 £	November 2016 £
Amounts falling due within one year:		
Trade debtors	-	8,959
Other debtors	95,731	195,853
Prepayments and accrued income	26,664	540,058
	<u>122,395</u>	<u>744,870</u>

15 Creditors: amounts falling due within one year

	March 2018 £	November 2016 £
Other taxation and social security	2,288	1,483
Trade creditors	127,554	25,071
Other creditors	91,668	-
Accruals and deferred income	104,820	58,702
	<u>326,330</u>	<u>85,256</u>

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 December 2016	Movement in funds		Balance at 31 March 2018
	£	Incoming resources	Resources expended	£
Heritage Lottery Fund - Capital	732,923	39,700	(24,200)	748,423
Other Capital Funding	127,644	-	(4,000)	123,644
ERDF - Capital	1,311,587	-	(36,562)	1,275,025
Liverpool City Council - Capital	3,136,083	75,000	(87,333)	3,123,750
Big Lottery Fund	10,000	-	(10,000)	-
Arts Council England - Strategic Touring	24,063	(4,212)	(19,851)	-
Arts Council England - Capital	69,675	1,805,309	(50,000)	1,824,984
Arts Council England - Omnibus development	-	13,365	(13,365)	-
Hemby Trust	-	1,000	(1,000)	-
Theatres Trust - Capital	-	15,000	(400)	14,600
BBC Children In Need	4,500	(4,500)	-	-
Garfield Weston Foundation - Capital	-	100,000	(2,667)	97,333
Foyle Foundation - Capital	-	40,000	(1,067)	38,933
Granada Foundation - Capital	-	20,000	(533)	19,467
Esmee Fairburn Foundation	-	20,000	(20,000)	-
	5,416,475	2,120,662	(270,978)	7,266,159

The Heritage Lottery fund - Capital represents a grant for the development of the Royal Court Theatre. The Grant has been fully spent with the costs included within fixed assets. The expense above represents the depreciation charged in the period.

Other Capital Funding relates to funding received from The Ravensdale Trust, The Theatre Trust, The Lord Leverhulme Charitable Trust and The Garfield Weston Trust in previous years as detailed below. The expense charged against the funding relates to depreciation charged in the period.

ERDF - Capital represents a grant for the development of the Royal Court Theatre. The grant has been fully spent with the costs included within fixed assets. The movement on incoming resources in the year represents the repayment of an overpayment of funding. The expense represents depreciation charged in the period.

Liverpool City Council - Capital represents City Council capital contribution for the development of the Royal Court Theatre. The expense above represents depreciation charged in the period.

Big Lottery Fund represents funding towards the Terriers project for working with young people and communities.

Arts Council England - Strategic Touring represents funding from Arts Council England to support the touring production Terriers, providing high quality arts activity for young people and helping us tour the production across schools and community venues in Merseyside and across the country.

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

16 Restricted funds

(Continued)

Arts Council England - Strategic Touring represents funding from Arts Council England to support the touring production Terriers, providing high quality arts activity for young people and helping us tour the production across schools and community venues in Merseyside and across the country.

Arts Council England - Capital is a grant for the development of the Royal Court Theatre.

Arts Council England - Omnibus is a grant toward the development and delivery of "Omnibus", a collaboration between the Trust and Unity Theatre.

Hemby Trust is a grant toward the provision of the Youth Theatre.

Theatres Trust is a grant toward new toilets as part of Act 3 renovations.

BBC Children in Need represents funds awarded to our Youth Theatre. This enabled us to run workshops, masterclasses, our summer show on the main stage and residential trip for per mentors.

Garfield Weston foundation provided a grant toward Act 3 renovations.

The Foyle Foundation provided a grant toward a new 120 seat venue in the basement of the Theatre.

The Granada Foundation is a grant toward Act 3 renovations.

The Esmee Fairburn Foundation is a grant toward the salary of the Youth Theatre co-ordinator.

17 Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2016 £
Fund balances at 31 March 2018 are represented by:				
Tangible assets	227,636	7,266,159	7,493,795	4,694,589
Current assets/(liabilities)	(20,797)	-	(20,797)	910,070
	<u>206,839</u>	<u>7,266,159</u>	<u>7,472,998</u>	<u>5,604,659</u>

18 Financial commitments, guarantees and contingent liabilities

The Trust may be required to repay funding if it fails to comply with conditions laid down by funding providers. Liverpool City Council and The Arts Council of England have a legal charges over the goodwill, property and all other assets of the charity.

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

19 Operating lease commitments

At the reporting end date the Trust had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	March 2018 £	November 2016 £
Within one year	32,000	-
Between two and five years	128,000	-
In over five years	3,816,000	-
	<u>3,976,000</u>	<u>-</u>

Lessor

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

	March 2018 £	November 2016 £
Within one year	20,000	30,000
Between two and five years	-	30,000
	<u>20,000</u>	<u>60,000</u>

20 Capital commitments

At 31 March 2018 the Trust had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment

March 2018 £	November 2016 £
95,677	-
<u>95,677</u>	<u>-</u>

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	Period March 2018 £	Year November 2016 £
Aggregate compensation	<u>53,333</u>	<u>73,400</u>

ROYAL COURT LIVERPOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

21 Related party transactions

(Continued)

During the period the company incurred expenditure of £151,524 (2016 Year: £70,578) with Liverpool Theatres Management and received income of £40,000 (2016: £30,000).

During the period ticket levy income of £116,111 (2016 Year: £86,905) was collected on behalf of the Royal Court Liverpool Trust Limited by Simply Tickets Limited.

During the period the company incurred expenditure of £41,884 (2016: nil) with Sightlines Limited.

At the period end the company owed £167,677 (2016: £22,078) to Liverpool Theatres Management.

At the period end the company was owed £20,838 (2016: £Nil) by Liverpool Food Company Limited.

At the period end the company owed £25,677 (2016: £8,211 debtor) to Simply Tickets Limited.

At the period end the company owed £41,884 (2016: nil) to Sightlines Limited.

Mr K J Fearon is Chief Executive of Liverpool Theatres Management (not a director), a director of Liverpool Food Company Limited, Simply Tickets Limited and Sightlines Limited, and the husband of G Miller, Chief Executive of the Royal Court Liverpool Trust Limited.

22 Cash generated from operations

	Period March 2018 £	Year November 2016 £
Surplus for the period	1,868,339	1,569,701
Adjustments for:		
Investment income recognised in statement of financial activities	(58)	(64)
Depreciation and impairment of tangible fixed assets	240,457	160,852
Movements in working capital:		
Decrease/(increase) in debtors	622,475	(311,527)
Increase/(decrease) in creditors	241,074	(223,338)
Cash generated from operations	2,972,287	1,195,624