

Charity registration number 1129007

Company registration number 05988546 (England and Wales)

**ROYAL COURT LIVERPOOL TRUST LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# ROYAL COURT LIVERPOOL TRUST LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr J M Falkingham	
	Mr M J Best	
	Mr M P Featherstone-Witty	
	Ms H E Summers	
	Mr K E Dunn	
	Ms J Fisher	(Appointed 30 November 2022)
<b>Chief Executive</b>	Miss G Miller	
<b>Secretary</b>	Miss G Miller	
<b>Charity number</b>	1129007	
<b>Company number</b>	05988546	
<b>Registered office</b>	Royal Court Theatre 1 Roe Street Liverpool L1 1HL	
<b>Auditor</b>	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL	

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# ROYAL COURT LIVERPOOL TRUST LIMITED

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# ROYAL COURT LIVERPOOL TRUST LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2023

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The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements 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) (effective 1 January 2019)".

#### 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.

#### Public benefit

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

#### Achievements and performance

The focus of Royal Court Liverpool Trust over this accounting period is to concentrate on preserving, maintaining and developing the estate of buildings owned and leased by the charity. With the formation of Royal Court Liverpool Limited, an independent charity set up to oversee the operation of the theatre, tickets sales, marketing, food and drink, Royal Court Liverpool Trust has focussed on these major capital initiatives:

- The Everton Mint
- Fit For The Future
- The Sir Ken Dodd Happiness Centre

**The Everton Mint** is a £5.5m capital project to redesign and rebuild the theatre's existing production facilities in Everton. Planning permission has been achieved for a scheme and fundraising has begun.

Part of this redevelopment includes expanding the production facilities by renting a workshop adjacent to the theatre called The Organ Works. The Trust have focussed on putting in place the relevant leases to enable the theatre to expand its theatre production operations and move into The Organ Works.

The need for additional space has been driven by the theatre taking more stage plays created and made in Liverpool into London and the West End with associated set building and storage requirements.

Fundraising continues for the wider Everton Mint project which has support from Liverpool City Council, Liverpool City Region Combined Authority and Arts Council England. A bid was made in early 2023 to the DCMS/Arts Council Culture Development Fund. Although recommended for funding by Arts Council England, DCMS prioritised other areas of the country over Liverpool City Region for the funding.

# ROYAL COURT LIVERPOOL TRUST LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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**The Sir Ken Dodd Happiness Centre** is an ambitious £15m project to create a permanent home for the Happiness! Exhibition currently on display at the Museum of Liverpool, a backstage extension to the current grade II listed Royal Court Theatre and a centre for happiness and wellbeing.

Royal Court Liverpool Trust has been working with two charities, the Ken Dodd Charitable Foundation and The Comedy Trust, to develop ideas and content for the proposed building. Award winning architects, Allford Hall Monaghan Morris who have worked with RCLT over the last 14 years on the renovation of the theatre, have developed a vision for the building and together with support from the Ken Dodd Charitable Foundation, we have an agreed and costed building design which was submitted for planning permission in autumn 2023. The scheme which is at RIBA Stage 2 at present will be further developed once planning permission has been approved and fundraising continues led by Royal Court Liverpool Trust.

The **Fit For The Future** capital project is funded directly by Arts Council England through a grant approved in April 2022. The focus of this project is to upgrade the theatre building making it more sustainable and resilient for the future. Work involved in this project includes:

- upgrading heating and installing cooling systems
- making the building more energy efficient through SMART systems and PV solutions
- installing LED lighting throughout
- improving access to the theatre for audiences and performers
- purchasing technical and production equipment to make the theatre more sustainable and to reduce its carbon outputs

These key projects will continue to be developed throughout 2023/24 and beyond and fundraising continues for all of these projects through a prospect pool of public funds, private trust funds and foundation and individuals.

#### **Financial review**

The Trust had total incoming resources in the sum of £403,433 (2022: £1,139,701) and expended £446,643 (2022: £1,072,764) resulting in net expenditure for the year of £43,210 (2022: £66,937 net income).

At the period end the trust had net assets of £7,824,279 (2022: £7,867,489) of which £34,495 (2022: £34,495) was held within restricted funds and £7,183,073 (2022: £7,078,347) within designated funds. The designated fund reflects the net book value of the tangible fixed assets used by the charity.

#### *Reserves policy*

To ensure the organisation can continue in its operations for 12 months. To do this the amount of reserves held is deemed to be the rent and associated costs due to external parties in a 12 month period. The minimum reserves amount for the organisation shall be £60,000.

#### *Principal funding sources*

Capital grants are the principle source of funding.

#### *Major risks*

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:

- Capital development costs exceeding budget
- Unexpected major repair costs
- Loss of key senior staff and consultants

#### **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 11 May 2009.

## ROYAL COURT LIVERPOOL TRUST LIMITED

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2023

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

Mr J M Falkingham	
Mr M J Best	
Mr M P Featherstone-Witty	
Ms H E Summers	
Mr K E Dunn	
Ms J Fisher	(Appointed 30 November 2022)
Mr M R W Bessman	(Resigned 20 April 2022)
Professor N P Weatherill	(Resigned 1 May 2022)
Ms J Bird	(Resigned 1 May 2022)

#### *Recruitment and appointment of trustees*

New Trustees are elected at a meeting of the board of Trustees 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.

#### *Other matters*

Current trustees receive continual training support to ensure they have the necessary skills to oversee the governance of the organisation. Training includes charity governance and management.

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 who is responsible to the board of Trustees for all aspects of the operation of the charity.

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.

#### *Relationship with related parties*

Mr K J Fearon is the husband of G Miller, Chief Executive Officer. During the period, he was Executive Producer and Chief Executive of Royal Court Limited (and director from 20 October 2022), a director of Liverpool Food Company Limited, and a director of Simply Tickets Limited.

Royal Court Liverpool Limited is related due to a common trustee sitting on both boards.

#### **Auditor**

In accordance with the company's articles, a resolution proposing that DSG be reappointed as auditor of the company will be put at a General Meeting.

## **ROYAL COURT LIVERPOOL TRUST LIMITED**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

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

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#### **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 K E Dunn

**Trustee**

29 February 2024

## **ROYAL COURT LIVERPOOL TRUST LIMITED**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

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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 year.

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

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#### Opinion

We have audited the financial statements of Royal Court Liverpool Trust Limited (the 'Trust') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, 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

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#### **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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# ROYAL COURT LIVERPOOL TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF ROYAL COURT LIVERPOOL TRUST LIMITED

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#### Capability of the audit in detecting irregularities, including fraud

Based on our discussions with the charity's management and the Trustees, we identified that the following laws and regulations are significant to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards and Charity Law.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with the charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert to non-compliance throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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.

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

29 February 2024

**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 YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
<b>Income and endowments from:</b>							
Donations and legacies	3	-	295,474	295,474	240,872	770,253	1,011,125
Charitable activities	4	107,000	-	107,000	65,194	50,000	115,194
Investments	5	959	-	959	86	-	86
Other income	6	-	-	-	13,296	-	13,296
<b>Total income</b>		<b>107,959</b>	<b>295,474</b>	<b>403,433</b>	<b>319,448</b>	<b>820,253</b>	<b>1,139,701</b>
<b>Expenditure on:</b>							
Charitable activities	7	696,643	-	696,643	579,108	493,656	1,072,764
<b>Total expenditure</b>		<b>696,643</b>	<b>-</b>	<b>696,643</b>	<b>579,108</b>	<b>493,656</b>	<b>1,072,764</b>
<b>Net income/(expenditure)</b>		<b>(588,684)</b>	<b>295,474</b>	<b>(293,210)</b>	<b>(259,660)</b>	<b>326,597</b>	<b>66,937</b>
Transfers between funds		295,474	(295,474)	-	316,607	(316,607)	-
<b>Net movement in funds</b>		<b>(293,210)</b>	<b>-</b>	<b>(293,210)</b>	<b>56,947</b>	<b>9,990</b>	<b>66,937</b>
<b>Reconciliation of funds:</b>							
Fund balances at 1 April 2022		7,832,994	34,495	7,867,489	7,776,047	24,505	7,800,552
<b>Fund balances at 31 March 2023</b>		<b>7,539,784</b>	<b>34,495</b>	<b>7,574,279</b>	<b>7,832,994</b>	<b>34,495</b>	<b>7,867,489</b>

# ROYAL COURT LIVERPOOL TRUST LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		7,183,073		7,078,347
<b>Current assets</b>					
Debtors	13	200,526		662,142	
Cash at bank and in hand		269,385		780,903	
		469,911		1,443,045	
<b>Creditors: amounts falling due within one year</b>	14	78,705		653,903	
Net current assets			391,206		789,142
<b>Total assets less current liabilities</b>			7,574,279		7,867,489
<b>The funds of the Trust</b>					
Restricted income funds	15		34,495		34,495
Unrestricted funds			7,539,784		7,832,994
			7,574,279		7,867,489

The financial statements were approved by the trustees on 29 February 2024

Mr K E Dunn  
Trustee

Company registration number 05988546 (England and Wales)

# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **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 financial statements 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) (effective 1 January 2019)". The Trust is a Public Benefit Entity as defined by FRS 102.

The Trust has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

#### **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.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors 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 Income**

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.

Income from Government and other grants, whether capital grants or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. In respect of the furlough grant; all conditions, with respect to the eligible costs being claimed, need to be met.

# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is accounted for on an accruals basis.

#### 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 the statement of financial activities.

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 YEAR ENDED 31 MARCH 2023

### 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 YEAR ENDED 31 MARCH 2023

### 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 Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	-	-	-	3,134	-	3,134
Grant income	-	295,474	295,474	237,738	770,253	1,007,991
	-	295,474	295,474	240,872	770,253	1,011,125
<b>Grants receivable for core activities</b>						
Arts Council England - Revenue Funding	-	-	-	214,140	-	214,140
Liverpool City Council - Core funding	-	-	-	23,598	-	23,598
Culture Recovery Fund	-	-	-	-	680,000	680,000
National Foundation Youth Music AAA	-	-	-	-	73,188	73,188
The Sir Ken Dodd Charitable Trust	-	68,170	68,170	-	-	-
Arts Council England - Capital Funding	-	227,304	227,304	-	-	-
Other	-	-	-	-	17,065	17,065
	-	295,474	295,474	237,738	770,253	1,007,991

The charity receives donations in kind for administrative services from the Royal Court Liverpool Limited, the value of which could not be quantified and therefore has not been included in these financial statements.

# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 4 Income from charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income from charitable activities	-	-	-	3,194	50,000	53,194
Charitable rental income	107,000	-	107,000	62,000	-	62,000
	<u>107,000</u>	<u>-</u>	<u>107,000</u>	<u>65,194</u>	<u>50,000</u>	<u>115,194</u>

### 5 Income from investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Interest receivable	959	86
	<u>959</u>	<u>86</u>

### 6 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Other income	-	13,296
	<u>-</u>	<u>13,296</u>

# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 7 Expenditure on charitable activities

	Charitable activities 2023 £	Charitable activities 2022 £
<b>Direct costs</b>		
Staff costs	-	83,182
Depreciation and impairment	209,430	199,934
Marketing and publicity	-	18,147
Rent, rates and utilities	32,000	87,729
Insurance	32,378	28,422
Workshops	-	17,352
Sundry expenses, hospitality and travel	625	25,200
Programme delivery	-	10,035
Printing, postage and stationery	-	1,827
Youth Theatre	-	155,668
Repairs and renewals	-	112,416
Legal, professional and consultancy	-	30,882
Chief Executive fees	-	50,000
Operating support costs	415,810	246,620
	<u>690,243</u>	<u>1,067,414</u>
<b>Share of support and governance costs (see note 8)</b>		
Governance	6,400	5,350
	<u>696,643</u>	<u>1,072,764</u>
<b>Analysis by fund</b>		
Unrestricted funds - general	696,643	579,108
Restricted funds	-	493,656
	<u>696,643</u>	<u>1,072,764</u>

### 8 Support costs allocated to activities

	2023 £	2022 £
Governance costs	6,400	5,350
<b>Analysed between:</b>		
Charitable activities	6,400	5,350

Governance costs include payments to the auditors of £6,400 (2022: £5,350) in respect of audit fees.

# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the Trust during the year (2022: £nil).

None of the trustees were reimbursed expenses from the Trust during the year (2022: £nil).

### 10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	-	3
	<u>          </u>	<u>          </u>
<b>Employment costs</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	-	79,831
Social security costs	-	1,953
Other pension costs	-	1,398
	<u>          </u>	<u>          </u>
	-	83,182
	<u>          </u>	<u>          </u>

Employees are now remunerated from Royal Court Liverpool Limited. The charity receives donations in kind for their services from the Royal Court Liverpool Limited, the value of which could not be quantified and therefore has not been included in these financial statements.

There were no employees whose annual remuneration was more than £60,000.

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	-	50,000
	<u>          </u>	<u>          </u>

The CEO is now remunerated from Royal Court Liverpool Limited. The charity receives donations in kind for her services from the Royal Court Liverpool Limited, the value of which could not be quantified and therefore has not been included in these financial statements.

### 11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 12 Tangible fixed assets

	Land and buildings	Leasehold improvements	Assets under construction	Fixtures, fittings, equipment & computers	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2022	1,212,773	6,758,701	-	422,701	8,394,175
Additions	-	-	81,037	233,119	314,156
At 31 March 2023	1,212,773	6,758,701	81,037	655,820	8,708,331
<b>Depreciation and impairment</b>					
At 1 April 2022	129,361	1,005,253	-	181,214	1,315,828
Depreciation charged in the year	24,256	135,174	-	50,000	209,430
At 31 March 2023	153,617	1,140,427	-	231,214	1,525,258
<b>Carrying amount</b>					
At 31 March 2023	1,059,156	5,618,274	81,037	424,606	7,183,073
At 31 March 2022	1,083,412	5,753,448	-	241,487	7,078,347

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 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Trade debtors	58,438	215,207
Other debtors	70,732	311,975
Prepayments and accrued income	71,356	134,960
	200,526	662,142

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

	2023 £	2022 £
Other taxation and social security	-	2,560
Trade creditors	57,206	50,046
Other creditors	15,099	544,415
Accruals and deferred income	6,400	56,882
	78,705	653,903

# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 15 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2022	Incoming resources	Resources expended	Transfers	At 31 March 2023
	£	£	£	£	£
Arts Council England - Capital	-	227,304	-	(227,304)	-
The Sir Ken Dodd Charitable Foundation	-	68,170	-	(68,170)	-
National Foundation for Youth Music	29,508	-	-	-	29,508
Oases Project	4,987	-	-	-	4,987
	<u>34,495</u>	<u>295,474</u>	<u>-</u>	<u>(295,474)</u>	<u>34,495</u>
	<u><u>34,495</u></u>	<u><u>295,474</u></u>	<u><u>-</u></u>	<u><u>(295,474)</u></u>	<u><u>34,495</u></u>
<b>Previous year:</b>	<b>At 1 April 2021</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfers</b>	<b>At 31 March 2022</b>
	£	£	£	£	£
National Lottery Community Fund	8,470	-	(8,470)	-	-
Difference Matters	10,035	-	(10,035)	-	-
Charities Trust	5,000	-	(5,000)	-	-
Hemby Trust	1,000	-	(1,000)	-	-
Culture Recovery Fund	-	680,000	(363,393)	(316,607)	-
National Foundation for Youth Music	-	73,188	(43,680)	-	29,508
Merseyside Police	-	50,000	(50,000)	-	-
PH Holt	-	6,500	(6,500)	-	-
Oases Project	-	5,515	(528)	-	4,987
The D'Oyly Carte Charitable Trust	-	5,050	(5,050)	-	-
	<u>24,505</u>	<u>820,253</u>	<u>(493,656)</u>	<u>(316,607)</u>	<u>34,495</u>
	<u><u>24,505</u></u>	<u><u>820,253</u></u>	<u><u>(493,656)</u></u>	<u><u>(316,607)</u></u>	<u><u>34,495</u></u>

# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 15 Restricted funds

(Continued)

**Arts Council England** Capital grant for Fit 4 Future Project. The asset is to be used for the: presentation of a range of theatre and other live performance productions across the main auditorium and basement venue; delivery of a learning, education and participation programme; events spaces, and catering and hospitality facilities; administrative offices for use by theatre staff.

The Agreed Project will deliver a new stair lift to join backstage to front of house for disabled performers and participants; an electric van to make touring more environmentally sustainable; and better equipment to deliver work outside the theatre and in the community.

**The Ken Dodd Charitable Foundation.** Royal Court Liverpool Trust working in partnership with The Comedy Trust and The Ken Dodd Charitable Foundation have the opportunity to develop the site adjacent to Liverpool's Royal Court Theatre to create a new attraction for Liverpool City Region and the North of England in the form of a new building which will function as a Happiness Centre. The building will epitomise the late Sir Ken Dodd's belief that comedy and humour are essential ingredients for life, creating happier, healthier people.

The Happiness Centre will celebrate all forms of comedy and humour and provide opportunities for all to take part in a wide range of programmes, workshops and sessions with comedy, humour, health and wellbeing at their heart. A main element of The Happiness Centre will be a dedicated, permanent exhibition space to celebrate the life of Liverpool icon Sir Ken Dodd, charting his remarkable career as comedian, singer, actor and entertainer and his enduring impact on the comedy scene.

The exhibition space will comprise one floor of the new building and will form the permanent home for the Happiness! exhibition after it closes at the Museum of Liverpool in spring 2024. The exhibition will be refreshed periodically.

**National Foundation for Youth Music** - A brand new project to give FREE access to music for young people

**Oases Project** - Outdoor and sustainability education specialists project.

**The National Lottery Community Fund** was a grant towards was for the Youth Theatre Summer School 2020 which ran in the Community College during August 2021.

**Difference Matters-** funding in respect of the project Cured.

**The Charities Trust** grant was a grant from Barclays Bank to support front of house staff while the theatre was closed in 2020.

**The Hemby Trust** grant was a grant toward the Youth Theatre.

**Culture Recovery Fund** - Awards from a grants programme to protect the UK's culture and heritage sectors from the economic impacts of Covid-19. The grant was to support the reopening of the Theatre, either fully or partially, or operate on a sustainable, cost-efficient basis until able to reopen at a later date. The terms of the funding include items of expenditure incurred by related entities Royal Court Limited, Liverpool Food Company Limited and Simply Tickets Limited which have been recharged to the charity. A transfer has been made from restricted funds to unrestricted funds in respect of the support received under this programme which allowed for the refilling of the charity's reserves.

**Merseyside Police** - Violence Reduction Unit grant toward the Terriers programme

**PH Holt** - Mentor scheme to promote equality and diversity

**The D'Oyly Carte Charitable Trust** - The Royal Court Youth Theatre delivers a range of opportunities free of charge for young people aged 11 – 25 from every part of the city.

# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 16 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2022	Incoming resources	Resources expended	Transfers	At 31 March 2023
	£	£	£	£	£
Tangible fixed asset fund	7,078,347	-	-	104,726	7,183,073
General funds	754,647	107,959	(696,643)	190,748	356,711
	<u>7,832,994</u>	<u>107,959</u>	<u>(696,643)</u>	<u>295,474</u>	<u>7,539,784</u>
<b>Previous year:</b>	<b>At 1 April 2021</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfers</b>	<b>At 31 March 2022</b>
	£	£	£	£	£
Tangible fixed asset fund	7,209,727	68,554	(199,934)	-	7,078,347
General funds	566,320	250,894	(379,174)	316,607	754,647
	<u>7,776,047</u>	<u>319,448</u>	<u>(579,108)</u>	<u>316,607</u>	<u>7,832,994</u>

In order to accurately show the reserves tied up in fixed assets held by the charity, a designated tangible fixed asset fund has been created. The fund reflects the net book value of the tangible fixed assets used operationally by the charity.

### 17 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	2023	2023	2023
	£	£	£
<b>Fund balances at 31 March 2023 are represented by:</b>			
Tangible assets	7,183,073	-	7,183,073
Current assets/(liabilities)	356,711	34,495	391,206
	<u>7,539,784</u>	<u>34,495</u>	<u>7,574,279</u>
	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total</b>
	<b>2022</b>	<b>2022</b>	<b>2022</b>
	£	£	£
<b>Fund balances at 31 March 2022 are represented by:</b>			
Tangible assets	7,078,347	-	7,078,347
Current assets/(liabilities)	754,647	34,495	789,142
	<u>7,832,994</u>	<u>34,495</u>	<u>7,867,489</u>



# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 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.

### 19 Operating lease commitments

#### Lessee

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:

	2023 £	2022 £
Within one year	32,000	32,000
Between two and five years	128,000	128,000
In over five years	3,624,000	3,656,000
	<u>3,784,000</u>	<u>3,816,000</u>

# ROYAL COURT LIVERPOOL TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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### 20 Related party transactions

#### **Royal Court Limited**

Mr K J Fearon is the husband of G Miller, Chief Executive Officer. During the period, he was Executive Producer and Chief Executive of Royal Court Limited (and director from 20 October 2022).

During the period Royal Court Liverpool Trust Limited incurred expenditure and recharges of £356,040 (2022: £225,691) from Royal Court Limited and received income of £nil (2022: £88,847).

At the period end Royal Court Liverpool Trust Limited was owed £Nil by Royal Court Limited (2022: £23,904 owed to Royal Court Limited).

#### **Liverpool Food Company Limited**

Mr K J Fearon is the husband of G Miller, Chief Executive Officer. During the period, he was a director of Liverpool Food Company Limited

During the period Royal Court Liverpool Trust Limited received rent of £62,000 (2022: £62,000) from Liverpool Food Company Limited.

During the period Royal Court Liverpool Trust Limited incurred expenditure and recharges of £Nil (2022: £20,929) from Liverpool Food Company Limited.

At the period end Royal Court Liverpool Trust Limited was owed £12,212 by Liverpool Food Company Limited (2022: £301 owed by Liverpool Food Company Limited).

#### **Simply Tickets Limited**

Mr K J Fearon is the husband of G Miller, Chief Executive Officer. During the period, he was a director of Simply Tickets Ltd.

During the period sundry income of £nil (2022: £250) was collected on behalf of the Royal Court Liverpool Trust Limited by Simply Tickets Limited.

During the period Royal Court Liverpool Trust incurred recharges of £59,770 (2022: £nil) from Simply Tickets Limited.

At the period end Royal Court Liverpool Trust Limited owed £nil to Simply Tickets Limited (2022: £59,770 owed to Simply Tickets Limited).

#### **Royal Court Liverpool Limited**

Royal Court Liverpool Limited is related due to a common trustee sitting on both boards.

During the period Royal Court Liverpool Trust Limited received rent of £45,000 (2022: £nil) from Royal Court Liverpool Limited.

The charity receives donations in kind for administrative services from the Royal Court Liverpool Limited, the value of which could not be quantified and therefore has not been included in these financial statements.

At the period end Royal Court Liverpool Trust Limited owed £15,099 to Royal Court Liverpool Limited (2022: £15,000 due from Royal Court Liverpool Limited).

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