

Charity Registration No. 509458

Company Registration No. 01437514 (England and Wales)

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED

COMPANY LIMITED BY GUARANTEE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	His Honour G A Ensor Mr D Morgan (Chairman - Appointed 15 September 2021) Mrs P J McGaffney Miss L Marshall Mr J J Thompson Mr S P Marley
Secretary	Mr D Morgan
Charity number	509458
Company number	01437514
Principal address	Hillcrest Montgomery Hill Wirral CH48 1NF
Registered office	Suite 5.1 12 Tithebarn Street Liverpool L2 2DT
Independent examiner	Mr Peter Taaffe FCA CTA DChA BWM Suite 5.1 12 Tithebarn Street Liverpool L2 2DT
Bankers	Royal Bank of Scotland 1 Dale Street Liverpool L2 2PP Virgin Money Jubilee House Gosforth Newcastle upon Tyne NE3 4PL Redwood Bank The Nexus Building Broadway Letchworth Garden City Hertfordshire SG6 3TA

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION

The Co-Operative Bank
Team 605
P O Box 250
Skelmersdale
Lancashire
WN8 6WT

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
CONTENTS

	Page
Trustees' report	1 - 6
Statement of trustees' responsibilities	7
Independent examiner's report	8
Statement of financial activities	9 - 10
Balance sheet	11
Notes to the accounts	12 - 19

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Charities Act 2011 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 principal objectives of the charitable company are to promote, maintain, improve, and advance education, particularly by the production of educational plays and the encouragement of the arts, including the arts of drama, mime, dance, singing and music for the benefit of the community living in the areas of Merseyside, Wirral and outlying districts including North Wales, Cheshire, and West Lancashire.

The activities throughout each year (but very much restricted during this reporting year) are designed to encourage interest, enthusiasm and appreciation for the wide variety of performances at the Empire Theatre (opera, ballet, music, singing and dance).

The Trustees consider the continued development of the education and community programme within the Creative Learning Department ('the Department') and the activities managed by the Trust to be the cornerstone of its charitable aims to assist in delivering a new and wider audience for the Theatre in part by developing young persons' interest in the arts and dance.

In conjunction with its managers, the Ambassador Theatre Group (ATG) and through a variety of programmes, the Trust aims to develop the audience of the future and to increase the occupancy rate of the Theatre, and in particular to help young persons in the appreciation of the arts.

The Trust supports and encourages an active Department and its variety of programmes, some of which are linked to and supported by the companies, producers and performers visiting the Theatre. In addition, some activities of the Department receive financial support from local businesses and organisations as well as from the Trust.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in its dialogue with ATG.

Representatives of the ATG (the Business Director (UK Venues), the Theatre Director, the Head of Operations (North), and the Head of Creative Learning) attend board meetings to present their respective management reports, which are circulated to the Trustees prior to the meetings and discussed in advance of the ATG representatives joining the meeting.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

An overview of developments, activities and achievements

The theatre remained closed throughout the year from the impact of COVID-19 and as a result, the Trust's activities were limited to finding ways to support ATG to ensure the long-term viability of the theatre and a number of online activities of the Department. The theatre re-opened on 5 August 2021.

The Trustees continued to hold Trust meetings throughout the year and in between meetings liaised with ATG on a variety of matters as required.

ATG were excused attendance at the May Trust meeting but attended all subsequent meetings, which were held virtually.

The Head of the Department was furloughed during much of the first half of the year but with financial support from the Trust, the activities of the Department recommenced in September.

In recognition of the huge financial impact on theatres, the Trust agreed with ATG to waive the annual Trust Contribution and coupled with other financial support for the Department supported ATG during the year to the tune of £50,000.

The Trust provided support to ATG's application for grant funding under the Cultural Recovery Fund (round 2) and the successful application provided additional funding for further activities of the Department from April 2021.

The Trustees are deeply saddened to report of the death on 15 August 2021 of its chairman, Terry Smith.

Terry became a director of the Trust in 1979 and succeeded the late Sir Philip Carter as chairman of the Trust in 2015.

He worked tirelessly to support the theatre and the arts. His energy and drive in supporting the Department was boundless and he inspired two successful public projects, Active Arts and the My Liverpool competition.

His contribution to the Trust cannot be underestimated.

For a full tribute, please visit our website: <https://www.liverpoolempiretrust.co.uk>

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Creative learning

The activities of the Department were severely limited in the early part of the year but both ATG and the Trust felt it important to reconnect with the City's education and cultural landscape and to achieve this the Trust reached agreement with ATG to part fund the salary of the Head of the Creative learning.

The Department put forward proposals in September for the consideration of the Trust in stages:

- Rebound - the immediate stage to complete outstanding projects delayed by the pandemic to reconnect with existing participants;
- Reboot – the planning stage to deliver a programme virtually given the theatre venue was no longer an option and to respond to the changing needs of the community;
- Re-invention – the delivery and evaluation of the projects.

The proposals focused on:

- The Talent Strand – the Youth theatre for ages 7-19 providing weekly sessions;
- The Schools and Education Strand – working with schools, higher and further education institutions to raise the status of cultural education and equipping teachers with the tools required to nurture the skills and attributes children require to succeed;
- Community Outreach – the provision of events and activities for adults and families and work opportunities for local freelance artists and practitioners to facilitate a better connection with the theatre.

Alongside delivering the programme, the Department continued to forge relationships and develop partnerships with grassroots organisations, local businesses, local arts organisations and the local creative community.

The Trust agreed to fund the proposals to a total of £23,500.

These proposals were reviewed due to the ongoing COVID restrictions and the reduced capacity of the Department resulting in two hybrid projects, which were launched in November with the programme structured through to March 2021.

The Talent Strand involved weekly master classes by external practitioners, workshops, and rehearsals for the ages 7-19 with participants involved with the National Theatre Connections project and the Music Theatre international Junior Youth Festival. The practitioner training and staff CPD was delivered in-house using external organisations.

By the end of March, the Schools Strand was delivering its first set of CPD training events for teachers, working with 16 teachers from six local primary schools, one secondary school and representatives from the Sefton Home Schooling network - a seven step process concluding in a group sharing of short performances.

The ongoing focus is on 'Let's Design and Let's Play' with the National Theatre which will provide a support toolkit of resources and online CPD to help keep drama, theatre, and creativity at the heart of the teaching process

The master classes included 'Vocal Gymnastics' exploring a different style and technique to the vocal range and 'Like to Move it' being a range of dance to build on style and strength.

In addition, there was a series of workshops exploring how to use skills as performers, focusing on audition preparation and interview technique together with the creation of a piece of performance poetry for International Women's Day.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

With many of the Department's project ongoing into next year, a final evaluation has yet to be undertaken.

Two of the feedbacks during the year for the various projects are worthy of mention:

"Firstly I'd like to say a massive thank you for the workshop with Beth! It was really good, I did have a little cry after because of how emotional it got. My mental health's not been the best so I've been trying to hide it all. I'm on the up now it was really comforting to hear what you said and to know I'm never alone and don't have to bottle it up." **Youth Musical Theatre Company Member**

"I have been thinking about their honesty and bravery all day. I am SO overjoyed to hear that they enjoyed the session. The fervour with which they attacked the challenge was something to behold so they clearly have the drive, talent, and awareness of themselves as individuals to create." **Beth Hinton-Lever , Masterclass Tutor.**

Financial Review

The results for the year and the charity's financial position at the end of the year are shown on pages 9 to 19.

The deficit of income over expenditure for the year amounted to £14,611 (2019-20: Surplus of £11,261).

The Trustees believe that sufficient assets are presently available to fulfil the obligations and aims of the charity. However, there is also awareness that in the longer term there will be an increasing cost for professional services (accountants and building surveyors, for example) and other expenditures, which will require the Trust to reappraise its future levels of income and donations.

In order to achieve its main objectives, the financial viability of the theatre remains fundamental and notwithstanding the reopening of the theatre in August this year, the Trust will liaise closely with ATG to identify any issues that might affect the long term viability of the theatre.

At 31 March 2021, total reserves were £606,338 (2019-20, £620,949) of which £350,000 (2019-20 £350,000) is a designated fund representing the fair value of the lease between Liverpool City Council and the charity.

Productions, Attendances and Plans

The Theatre (with a capacity is 2365 seated with 16 wheelchair spaces) remained closed throughout the year.

Property

The Trust has a lease of the Empire Theatre building from Liverpool City Council for a term of 125 years; the lease expires in 2127. The charity sub-lets the Theatre to ATG, for commercial use. ATG, as the tenant, is responsible for all property care and maintenance and takes all commercial risks for theatrical activities. ATG makes a management contribution to the Trust.

Following completion of the refurbishment and extension of the Theatre (incorporating the adjoining Legs of Man public house acquired by compulsory purchase) some years ago (the finance for which was provided by grants from the Arts Council and ERDF together with substantial contributions from ATG and individuals), the Trust takes all necessary steps to ensure ATG complies with its leasing obligations and in particular that the Theatre is properly managed and kept in good repair and condition.

At the time the lease was granted, the Trust took advice (having regard to the charitable status of the Trust) from Irving Rice, Surveyors of Liverpool on the structure of the lease arrangements from Liverpool City Council and ATG. No premium was paid to Liverpool City Council by the Trust for the lease although Liverpool City Council placed a value of £350,000 on the lease and this was taken as matched funding towards the Arts Council grant.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees do not consider any merit in seeking a professional valuation of the Lease with Liverpool City Council in view of the user restriction and the obligations of the Trust in maintaining the building as a Theatre. The value of £350,000 calculated by Liverpool City Council has been accepted by the Trustees for the purposes of these accounts and is reflected as such in the designated reserves in the balance sheet.

The upkeep and development of one of the City's best known and most loved buildings are always a major concern of the Trust and that view is shared by ATG.

The presentation of the fabric and facilities of the Empire to the public is constantly reviewed and the Trust receives regular reports on the state of the building and facilities for successful theatre productions. The report is discussed between the Trustees and ATG thus ensuring that ongoing maintenance issues are attended to and, in addition, future capital expenditure is proposed for the enhancement and development of the theatre and its facilities.

Main projects scheduled for the year (funded by ATG) were held in abeyance but remain on the agenda for next year.

Risk policy

The charity has continued to review risks which it faces and will establish controls to mitigate risk where necessary. Risks continue to be subject to periodic review.

Reserves policy

The Reserves Policy is reviewed in line with Charity Commission publication on 'Charity Reserves: building resilience'. Whilst the Trustees are looking to spend most of its annual income (which increases annually by the rate of RPI) on charitable objectives, with the balance on administrative costs, part of the sum held as reserves will be made available periodically for the objectives of the charity although the Trustees will take into account the need to hold the reserves against continuing liabilities under its lease with Liverpool City Council in circumstances where the indemnity from its tenants is not available.

The Trustees are further aware that the reserves (which arose from a payment from ATG resulting from a lease negotiation) are not likely to be replaced in the future and for this reason the Trustees consider it is a prudent decision in the long term interests of the charity to maintain the reserves close to their present level, thus allowing the Trustees to apply some of the reserves on charitable function where the annual income has been accounted for.

Investment policy

The charity's investment policy currently is to hold any reserves at the bank on deposit.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management

• **Legal status**

The Empire Theatre (Merseyside) Trust Limited is a charitable company limited by guarantee, incorporated on 16 July 1979 and registered as a charity on 7 January 1980.

The charity was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1. None of the Trustees have any beneficial interest in the charity.

• **Governance and management**

The directors, who are also Trustees of the charitable company for the purposes of company law, have a variety of specific experience and skills including arts administration, theatre and film productions, journalism, private sector administration and management and legal experience. These skills are all needed for the successful running of the Trust linked to the Theatre managers and the continued work of the Creative Learning department. The Trustees are responsible for all decision-making activities taking account, where appropriate the requirements of the 'public benefit'. The Trustees meet regularly to review progress of the objectives of the Trust and the performance of ATG (its manager and tenant).

The Trustees

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

Mr T D Smith (Chairman) (Deceased 15 August 2021)
His Honour G A Ensor
Miss L Marshall
Mrs P J McGaffney
Mr D Morgan (Chairman)
Mr J J Thompson
Mr S P Marley

The chairman of the Trust is nominated and seconded by one of the Trustees.

The secretary is David Morgan, a non-practicing solicitor (having retired in November 2017 from law firm, Brabners LLP, of Horton House, Exchange Flags, Liverpool.)

The Trustees are advised by Daniel McEvoy of Trident Building Consultancy, 43 Castle Street Liverpool, on property matters generally and in particular to review compliance by ATG of their Lease obligations. The next full inspection and report from the surveyor is due in January 2022.

The Trustees have considered no formal training is required to fulfil their duties and obligations.

The Trustees have assessed the major risks (in conjunction with its managers) to which the Trust is exposed and are satisfied that systems are in place to mitigate exposure to major risks.

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

.....
Mr D Morgan (Chairman)

Trustee

Dated:

16 November 2021

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of The Empire Theatre (Merseyside) 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 charity 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED

I report to the trustees on my examination of the financial statements of The Empire Theatre (Merseyside) Trust Limited (the charity) for the year ended 31 March 2021.

This report is made solely to the charity's trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My examination has been undertaken so that I might state to the charity's trustees those matters that I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my examination, for the report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Mr Peter Taaffe FCA CTA DChA
Independent Examiner

BWM
Suite 5.1
12 Tithebarn Street
Liverpool
L2 2DT

Dated: 23.11.2021

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021

Current financial year

		Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Total Unrestricted funds 2021 £	Total Unrestricted funds 2020 £
	Notes				
<u>Income from:</u>					
Charitable activities	3	-	-	-	69,661
Investments	4	1,951	-	1,951	1,452
Total income		1,951	-	1,951	71,113
<u>Expenditure on:</u>					
Charitable activities	5	16,562	-	16,562	59,852
Net (expenditure)/income for the year/ Net movement in funds		(14,611)	-	(14,611)	11,261
Fund balances at 1 April 2020		270,949	350,000	620,949	609,688
Fund balances at 31 March 2021		256,338	350,000	606,338	620,949

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021

Prior financial year

		Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Total Unrestricted funds 2020 £
	Notes			
<u>Income from:</u>				
Charitable activities	3	69,661	-	69,661
Investments	4	1,452	-	1,452
Total income		<u>71,113</u>	<u>-</u>	<u>71,113</u>
<u>Expenditure on:</u>				
Charitable activities	5	<u>59,852</u>	<u>-</u>	<u>59,852</u>
Net (expenditure)/income for the year/ Net movement in funds		11,261	-	11,261
Fund balances at 1 April 2019		<u>259,688</u>	<u>350,000</u>	<u>609,688</u>
Fund balances at 31 March 2020		<u><u>270,949</u></u>	<u><u>350,000</u></u>	<u><u>620,949</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	9		350,000		350,000
Current assets					
Debtors	11	1,242		120	
Cash at bank and in hand		262,086		272,450	
		<u>263,328</u>		<u>272,570</u>	
Creditors: amounts falling due within one year	12	(6,990)		(1,621)	
Net current assets			256,338		270,949
Total assets less current liabilities			<u>606,338</u>		<u>620,949</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	13	350,000		350,000	
General unrestricted funds		<u>256,338</u>		<u>270,949</u>	
			606,338		620,949
			<u>606,338</u>		<u>620,949</u>

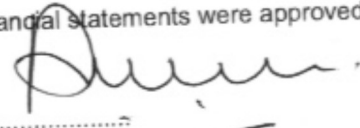
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 8th November 2021


 Mr D Morgan (Chairman)
 Trustee

Company Registration No. 01437514

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

The Empire Theatre (Merseyside) Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Suite 5.1, 12 Tithebarn Street, Liverpool, L2 2DT.

1.1 Accounting convention

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

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

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. 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

The Empire Theatre was closed on 16 March 2020 to comply with Government enforced lockdown to reduce the spread of the COVID-19 virus. At the time of approving the financial statements, the theatre has since re-opened in August 2021 and activity has increased.

As detailed in the Trustees Report, the Trustees believe that, given the measures put in place and the availability of cash reserves that there is a reasonable expectation that the charity 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

Funds held by the charity are:

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes.

1.4 Income

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

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Grants, including grants for the purposes of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable. Income deferred only when the donor has specified that the income is to be expended in a future period.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure reflects all amounts paid and accrued during the year. All costs are allocated between the expenditure categories of the Statement of Financial Activities (SoFA) on a basis designed to reflect the use of the resource.

Charitable expenditure

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Governance costs

These represent costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examination fees and costs linked to the strategic management of the charity.

1.6 Tangible fixed assets

The charity has a lease of the Empire Theatre building from Liverpool City Centre for a term of 125 years; the lease expires in 2127. The charity sub-lets the theatre to ATG, for commercial use. The tenant is responsible for all property care and maintenance and takes all commercial risks for theatrical activities. ATG makes a management contribution to the Trust.

The financial statements include the value of the lease from Liverpool City Council in its current use by the Trust for its charitable purposes (see note 9). This is estimated at £350,000.

The initial valuation of this asset was based on a valuation that was carried out in April 2000. The trustees consider there is no impairment and that the fair value fairly represents the value in use of the property at the year end.

The lease was not depreciated owing to the long useful economic life of the asset (125 years) and currently no dilapidations have been provided for in repairs.

The trustees consider there is no value to the underlease between the charity and ATG and hence this does not appear in the financial statements.

1.7 Impairment of fixed assets

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

1.8 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.

1.9 Financial instruments

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

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

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

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial assets

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

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future 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 charity's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

The charity benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions. The charity is also able to recover Value Added Tax.

2 Critical accounting estimates and judgements

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

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

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

3 Charitable activities

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Charitable rental income	-	69,161
Other income	-	500
	<u>-</u>	<u>69,661</u>
	<u>-</u>	<u>69,661</u>

4 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Interest receivable	1,951	1,452
	<u>1,951</u>	<u>1,452</u>

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

5 Charitable activities

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Management contribution	-	34,581
Other professional fees	3,048	6,313
Sundry expenses	38	144
Promotion of the arts	4,360	11,565
Awards event costs	-	3,109
Bank charges	16	60
Website costs	580	1,560
Donations	5,960	-
	<u>14,002</u>	<u>57,332</u>
Share of governance costs (see note 6)	2,560	2,520
	<u>16,562</u>	<u>59,852</u>
Analysis by fund		
Unrestricted funds - general	16,562	
	<u>16,562</u>	
For the year ended 31 March 2020		
Unrestricted funds - general		59,852
		<u>59,852</u>

6 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Accountancy	-	2,560	2,560	-	2,520	2,520
	<u>-</u>	<u>2,560</u>	<u>2,560</u>	<u>-</u>	<u>2,520</u>	<u>2,520</u>
	<u>-</u>	<u>2,560</u>	<u>2,560</u>	<u>-</u>	<u>2,520</u>	<u>2,520</u>
Analysed between Charitable activities	-	2,560	2,560	-	2,520	2,520
	<u>-</u>	<u>2,560</u>	<u>2,560</u>	<u>-</u>	<u>2,520</u>	<u>2,520</u>

Governance costs includes payments to the independent examiner of £1,410 (2020 - £1,370) for year end statutory accounts and £1,150 (2020 - £1,150) for bookkeeping and other services.

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

7 Trustees

One of the trustees received remuneration for services rendered other than as a trustee of £3,000 during the year (2020 one trustee received: £3,000). None of the trustees (or any persons connected with them) received any expenses during the year (2020: £nil).

8 Employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
Total	-	-

9 Tangible fixed assets

	Leasehold property
	£
Cost	
At 1 April 2020	350,000
At 31 March 2021	350,000
Carrying amount	
At 31 March 2021	350,000
At 31 March 2020	350,000

The initial valuation of the lease between the charity and Liverpool City Council is based on a valuation on 28 April 2000 by Irving Rice, Surveyors, in the region of £350,000. The Trustees consider there is no impairment to that value and that the net book value fairly represents the fair value of the lease at the year end.

The trustees do not consider any merit in seeking a professional valuation of the lease with Liverpool City Council due to the undue cost to the charity. Accordingly due to the user restrictions and obligations of the Trust in maintaining the building as a theatre there is no readily available comparison in the market.

10 Financial instruments

	2021	2020
	£	£
Carrying amount of financial assets		
Debt instruments measured at cost	262,086	272,450
Carrying amount of financial liabilities		
Measured at cost	6,990	1,621

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

11 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Other debtors	1,242	120

12 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	5,180	-
Accruals and deferred income	1,810	1,621
	<u>6,990</u>	<u>1,621</u>

13 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		Movement in funds		
	Balance at 1 April 2019	Incoming resources	Balance at 1 April 2020	Incoming resources	Balance at 31 March 2021
	£	£	£	£	£
Designated fund	350,000	-	350,000	-	350,000
	<u>350,000</u>	<u>-</u>	<u>350,000</u>	<u>-</u>	<u>350,000</u>

The designated fund relates to the value of the lease between the charity and Liverpool City Council (see note 9).

14 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Total	Unrestricted funds	Designated funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 31 March 2021 are represented by:						
Tangible assets	-	350,000	350,000	-	350,000	350,000
Current assets/ (liabilities)	256,338	-	256,338	270,949	-	270,949
	<u>256,338</u>	<u>350,000</u>	<u>606,338</u>	<u>270,949</u>	<u>350,000</u>	<u>620,949</u>

THE EMPIRE THEATRE (MERSEYSIDE) TRUST LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

15 Related party transactions

The company secretary, Mr D Morgan, who is also a trustee, received £3,000 (2020: £3,000) for secretarial duties in the year. At the year end, there was a balance of £nil owed to Mr D Morgan.

There were no other related party transactions within the period.

16 Company limited by guarantee

The Empire Theatre (Merseyside) Trust Limited is incorporated under the Companies Act 1985 as a company limited by guarantee. The liability of the members is limited to £1.