

THE LOWRY CENTRE LIMITED

Annual Report and Financial Statements

For the year ended 31 March 2021

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ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Sir RM Aldridge OBE
JM Brabbin
J Fawcett OBE
AJ Frost CBE
S Fry
AC Vinken OBE

CHIEF EXECUTIVE

J Fawcett OBE

SECRETARY

JM Brabbin

REGISTERED OFFICE

The Lowry Centre Limited
Pier 8
Salford Quays
Greater Manchester
M50 3AZ

BANKERS

Barclays Bank plc
Northwest Larger Business Team
1st Floor
3 Hardman Street
Spinningfields
Manchester
M3 3HF

SOLICITORS

CMS Cameron McKenna Nabarro Olswang LLP
1 South Quay
Victoria Quays
Wharf Street
Sheffield
S2 5SY

AUDITOR

Deloitte LLP
1 City Square
Leeds
LS1 2AL
United Kingdom

STRATEGIC REPORT

For the year ended 31 March 2021

The directors, in preparing the strategic report, have complied with s414C of the Companies Act 2006.

PRINCIPAL ACTIVITIES

The company is a wholly owned subsidiary of The Lowry Centre Trust, a charitable company limited by guarantee.

It operates commercial functions for the purpose of generating income to contribute to the overall running costs of the venue and to the development of artistic work in line with its parent company's charitable objects. As such it operates The Lowry's catering, conferencing and events, retail and ticketing functions including a third party ticket agency business.

The principal activity of the company is the operation of the commercial operations within The Lowry, a major visual and performing arts facility. The object is to carry on business with a view to generate funds to support the charitable objectives of The Lowry Centre Trust and any surplus reserves plan to be transferred to the Trust.

REVIEW OF THE BUSINESS

The Lowry building was closed to visitors with effect from 17th March 2020 and remained closed to visitors throughout the entirety of the 2020/2021 year due to Government restrictions resulting from the global Covid-19 pandemic.

The loss for the year after tax before donation was £708,303 (2020: £1,374,676 profit before donation). An amount of £1,050,315 from unpaid prior year donation has been credited back to the profit and loss account in the current year. No Gift Aid (2020: £1,374,676) was donated to the parent company. The retained loss was £708,303 (2020: Result £nil).

The balance sheet on page 12 reflects the position at the end of the year. The cash balance has declined and shows a year on year decrease to £2,175,647 (2020: £4,521,126).

As a result of the closure to the public, the ability to earn income was severely restricted. Total income showed a 97% reduction on the previous year. A small amount of income was earned during the year through online retail sales and ticketing income through our third party ticketing operation, Quaytickets. Retail income represented only 18% on that achieved in the previous year whilst ticketing income fell by 95%.

The hospitality operations of catering and conferencing and events remained inactive during the year.

With the exception of a small number of core staff, all employees were put onto the Government's Job Retention Scheme at the earliest opportunity. This enabled us to maintain the employment status of the majority of the workforce during the period of closure. During the year the company received the sum of £2,048,538 in Government Job Retention Scheme grants (2020: £48,452).

STRATEGIC REPORT (Continued)
For the year ended 31 March 2021

FUTURE DEVELOPMENTS

Due to the continuing restrictions resulting from the global Covid-19 pandemic, The Lowry's building remained closed to visitors until 22nd May 2021 when it was able to re-open to the public, initially on a socially distanced basis.

The effect of the continuation of various lockdown and tier restrictions meant that the hospitality element of the company's operations was unable to trade in the early part of the year. During that period, retail sales continued, to a limited extent, with an on-line only offer. The ticketing function was able to continue to operate off-site with a reduced service to match the severely reduced demand from its third party clients, all of whom were subject to similar restrictions. The focus turned predominantly to handling requests for refunds where events have been cancelled, and moving patrons' bookings where events have been rearranged.

Following the lifting of restrictions, The Lowry was able to reopen with a limited offer from mid-May 2021 once all criteria for the relaxation of lockdown had been satisfied. With effect from the end of August all the Lowry's Theatres and its Galleries were able to re-open to the public without restrictions. At that point it was able to resume both hospitality and retail offers on-site and, subsequently it is expected that demand for theatre tickets will increase.

STRATEGIC REPORT (continued)
For the year ended 31 March 2021

PRINCIPAL RISKS AND UNCERTAINTIES

The company maintains a risk register that addresses principal external and internal organisational risks and seeks actively to control and mitigate such risks. During the year, attention turned to the mitigation of the effect of the global pandemic on the business; a risk not previously considered. Operational risks, noted below, did not apply during the period of closure, which extended over the entire financial year.

The parent company operates “receiving theatres” and as such is subject to the availability of product of sufficient quality. Such availability is not within the company’s direct control. The fluctuations of theatre attendance to the venue directly influences the potential for trade within the catering and retail functions of The Lowry Centre Limited. A high degree of variable costs is maintained within the operation to enable flex against fluctuations in visitor numbers. Quaytickets is reliant upon a number of third party organisations for its business. To enable a degree of certainty of trade in the future, multi-year agreements are entered into with client venues.

The majority of the company’s income is generated from or as a result of sales of theatre tickets, both within and external to the venue. During the year, the principal risk has arisen from the continuation of the restrictions resulting in closure of the building until the end of May 2021 brought about by Covid-19 pandemic-related restrictions that meant the Lowry building remained closed to the public for the entirety of the year to 31 March 2021. The risk has been mitigated by the receipt of grants from the Government’s Job Retention Scheme as a contribution towards the costs of employment.

Subsequently the principle risk to the organisation is a reintroduction of pandemic-related restrictions in future months. To mitigate this risk, the organisation has developed hybrid working methods that will ensure the continuation of ticketing operations if the building is closed, and has taken measures to reduce core costs where possible to mitigate against reduced levels of income.

GOING CONCERN

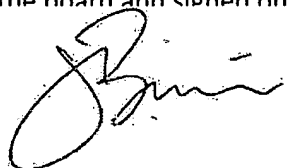
Following a year during which trading activities were restricted by exceptional measures introduced to control the global pandemic, the company is in a net deficit position. Detailed income and expenditure, and cash flow forecasts for the 2021/2022 year, and outline forecasts for the subsequent 4-year period, have been prepared for the group including The Lowry Centre Limited, and a separate income and cash flow forecast for the company for the year ending 31st March 2022. These forecasts take reasonable account of reasonably possible changes and uncertainties in its performance resulting from general market conditions as well as the general and variable nature of the group’s activities. Looking forward over the next 12 to 18 months, the principle risk is seen to be the possible reintroduction of restrictions, particularly during the winter months. The directors have taken steps to mitigate this possibility through the introduction of hybrid working methods that will allow the ticketing operation to continue off-site. In addition, funds are in place to address workforce issues in the event an enforced closure is reintroduced. The directors are grateful to the Government for the aid received that enabled the continuation of financial sustainability throughout this period, and provides a platform for future full-scale resumption of operational activities and subsequent growth.

STRATEGIC REPORT (continued)
For the year ended 31 March 2021

The company has received confirmation that its parent company, The Lowry Centre Trust will provide financial support to the company, where required during the year, in order for the company to discharge its liabilities as they fall due and continue trading as a going concern, for a period of at least twelve months from the date of signing of the financial statements of The Lowry Centre Limited for the year ended 31 March 2021. This support may be considered to be necessary solely due to the closure of on-site trading operations as a result of the Covid-19 pandemic in the early part of the year, and the directors have good grounds to believe The Lowry Centre Limited will return to profitable trading within a reasonable timescale now that trading has been able to resume. Accordingly, given the cash resources available and the forecast future cash flows, the directors continue to adopt the going concern basis in preparing these financial statements.

Approved by the board and signed on its behalf by:

JM Brabbin
Secretary



5th January 2022

DIRECTORS' REPORT

For the year ended 31 March 2021

The directors present their annual report on the affairs of the company together with the audited financial statements and auditor's report for the year ended 31 March 2021.

The business review, future developments and principal risks and uncertainties are included in the Strategic Report.

DIVIDENDS AND TRANSFERS FROM RESERVES

The loss before the donation was £708,303 (2020: Profit £1,374,676). Gift aid of £nil (2020: £1,374,676) was donated to the parent company. The directors do not recommend the payment of a dividend (2020: £nil) and an amount of £1,050,315 from unpaid prior year donation has been credited back to the profit and loss account in the current year. The retained loss for the year is £708,303 (2020: £nil was transferred to reserves).

ENVIRONMENT

The company recognises the importance of its environmental responsibilities. Initiatives designed to minimise the company's impact on the environment include the safe disposal of waste, recycling and reducing energy consumption.

EMPLOYEES

Details of the number of employees and related costs can be found in note 7 to the financial statements.

The Lowry aims to offer equal opportunities to everyone. Full and fair consideration is given to applications for employment made by persons with access requirements, having regard for their particular aptitudes and abilities. Appropriate training is arranged for relevant persons. This would include retraining any employees who have a change in access requirements to promote their career development within the organisation.

EMPLOYEE COMMUNICATION

The company recognises the importance of effective communication and employee involvement and has, throughout the year, maintained regular Staff Briefings, Employee Consultation Forum and Volunteer Consultation Forum meetings.

Staff Briefings are held three times each year, each comprising a number of sessions at varying times to allow the maximum number of employees to attend. The briefings presented by directors and key functional heads of department address ongoing plans for the artistic and educational programme and matters of strategic importance and provide the opportunity for open feedback and discussion.

The bi-monthly Employee Consultation Forum and Volunteer's Consultation Forum, attended by the Chief Executive and comprised of elected employee or volunteer representatives provides a mutual opportunity to discuss issues of importance in any aspect of the business including employment issues, raised by management or employees through their representatives.

DIRECTORS' REPORT (continued)
For the year ended 31 March 2021

A staff intranet site provides information to employees and employees are encouraged to post their own contributions. The site includes amongst other items of interest, profiles of directors and employees and access to policies and staff offers.

DIRECTORS

The following directors who served during the year and up to date of signing except where stated were:

Sir RM Aldridge OBE
JM Brabbin
J Fawcett OBE
AJ Frost CBE
S Fry
AC Vinken OBE

None of the directors had any interest in the shares of the company during the year (2020: same).

Directors' attendance at meetings during the year ending 31 March 2021

No meetings were held during the year. Instead, directors attended and participated in the quarterly meetings of the board of The Lowry Centre Trust, and in some cases, an Emergency Sub-Committee of the Trust established to review substantive issues of relevance to the group generally.

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the board and signed on its behalf by:

JM Brabbin
Secretary



5th January 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LOWRY CENTRE LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements of The Lowry Centre Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of changes in equity;
- the balance sheet; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LOWRY CENTRE LIMITED (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENT (CONTINUED)

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 directors 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LOWRY CENTRE LIMITED (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENT (CONTINUED)

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements, which included the UK Companies Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

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

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the recognition of income from government grants at the correct value. We assessed a sample of claims under the Government's Job Retention Scheme to determine whether the claims had been calculated correctly.

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LOWRY CENTRE LIMITED (CONTINUED)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report and strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and strategic report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Anderson

Sarah Anderson FCCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom
7 January 2022

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PROFIT AND LOSS ACCOUNT
Year ended 31 March 2021

	Note	2021 £	2020 £
TURNOVER	3	254,916	8,161,436
Cost of sales		(177,749)	(1,772,836)
GROSS PROFIT		77,167	6,388,600
Administrative expenses		(3,092,197)	(5,408,612)
Other operating income	4	2,355,691	394,078
OPERATING (LOSS)/PROFIT		(659,339)	1,374,066
Finance income	5	776	610
(LOSS)/PROFIT BEFORE TAXATION	6	(658,563)	1,374,676
Tax on (loss)/profit	10	(49,740)	-
(LOSS)/PROFIT AFTER TAXATION		(708,303)	1,374,676

There were no recognised gains and losses other than the profit for the financial years shown in the profit and loss account. All income and expenditure derives from continuing activities.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 March 2021

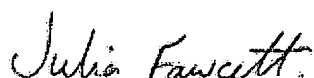
	Profit and loss account £
Balance at 31 March 2019	-
Profit after tax for the year	1,374,676
Charitable donation paid in the year	(1,374,676)
Balance at 31 March 2020	-
(Loss)/Profit after tax for the year	(708,303)
Charitable donation credit in the year	1,050,315
Balance at 31 March 2021	342,012

BALANCE SHEET
As at 31 March 2021

	Note	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible assets	11		1,433,024		1,767,579
			<u>1,433,024</u>		<u>1,767,579</u>
CURRENT ASSETS					
Stocks	12	142,643		169,879	
Debtors	13	840,820		430,961	
Cash at bank and in hand		2,175,647		4,521,126	
		<u>3,159,110</u>		<u>5,121,966</u>	
CREDITORS: amounts falling due within one year	14	(3,457,694)		(5,799,975)	
NET CURRENT LIABILITIES			<u>(298,584)</u>		<u>(678,009)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,134,440		1,089,570
CREDITORS: amounts falling due after more than one year					
Accruals and deferred income	15		(792,427)		(1,089,569)
NET ASSETS			<u>342,013</u>		<u>1</u>
CAPITAL AND RESERVES					
Called up share capital	17		1		1
Profit and loss account			<u>342,012</u>		<u>-</u>
SHAREHOLDER'S FUNDS			<u>342,013</u>		<u>1</u>

The financial statements of The Lowry Centre Limited, registered number 3255905, were approved by the Board of Directors and authorised for issue on 5th January 2022.

They were signed on its behalf by:



J Fawcett OBE
 Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2021

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

The Lowry Centre Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 to 4.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent, The Lowry Centre Trust, which may be obtained at Companies House, Crown Way, Cardiff, CF14 3UZ. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement, related party transactions and remuneration of key management personnel.

Going concern

The balance sheet shows net current liabilities and net total surplus. Within the liabilities figure is £1.1m (2020: £1.4m) of deferred grant income which is largely due after more than one year. This is a balance that is subject to annual amortisation over the life of the related asset and as such does not represent a liability requiring repayment.

The company has prepared forecasts that take account of reasonably possible changes and uncertainties in its performance resulting from general market conditions. The company has received confirmation that its parent company, The Lowry Centre Trust will provide financial support to the company, where required during the year, in order for the company to discharge its liabilities as they fall due and continue trading as a going concern, for a period of at least twelve months from the date of signing of the financial statements of The Lowry Centre Limited for the year ended 31 March 2021. This support is considered to be necessary solely due to the closure of on-site trading operations as a result of the Covid-19 pandemic, and the directors have good grounds to believe The Lowry Centre Limited will return to profitable trading within a reasonable timescale. Accordingly, given the cash resources available and the forecast future cash flows, the directors continue to adopt the going concern basis in preparing these financial statements.

Tangible fixed assets

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

Fixtures and fittings	3-10 years
Computer equipment	3 years

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 March 2021

1. ACCOUNTING POLICIES (continued)**Tangible Fixed Assets (continued)**

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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

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

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

Stocks

Stocks comprise consumable materials held by catering and gift shop supplies for direct re-sale. All stock is stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks. Cost is based on the latest purchase price.

Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 March 2021

1. ACCOUNTING POLICIES (continued)**Taxation (continued)**

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Turnover

Turnover is stated net of VAT and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Exchange differences are recognised in profit or loss in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2021

1. ACCOUNTING POLICIES (continued)

Grants

Grant income is recognised in income on a systematic basis over the periods in which the company recognises as expenses, the related costs for which the grants are intended to compensate. Specifically, government grants that are receivable as compensation for expenses already incurred or for the purpose of giving immediate financial support to the company with no future related costs, are recognised in income in the period in which they become receivable.

Grants receivable in respect of tangible fixed assets are credited to the profit and loss account over the expected useful economic lives of the relevant assets to which they relate.

Grants received but not yet released to the profit and loss account are included as deferred income in the balance sheet.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The directors do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.

3. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of value added tax. Income from all commercial activities is included in the period in which the company is entitled to receipt.

The turnover and pre-tax profit all arise within the United Kingdom in the current and preceding year and relate to the company's principal activity.

Turnover	2021	2020
	£	£
Commercial trading	254,916	8,161,436

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2021

4. OTHER OPERATING INCOME

	2021	2020
	£	£
HMRC CJRS grant income	2,048,538	48,452
Amortisation	297,142	297,142
ACE project funding	10,010	48,452
	<u>2,355,691</u>	<u>394,078</u>

5. FINANCE INCOME

	2021	2020
	£	£
Interest received and similar charges	<u>776</u>	<u>610</u>

6. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets (see note 11)	334,555	334,477
Auditor's remuneration	<u>16,000</u>	<u>16,000</u>

7. AUDITOR REMUNERATION

Fees payable to Deloitte LLP for the audit of the Company's annual financial statements were £16,000 (2020: £16,000).

Fees payable to Deloitte LLP for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

8. STAFF NUMBERS AND COSTS

Staff costs during the year (including executive directors)	2021	2020
	£	£
Wages and salaries	2,746,618	3,156,485
Social security costs	131,550	172,404
Pension costs	<u>38,456</u>	<u>45,054</u>
	<u>2,916,624</u>	<u>3,373,943</u>
 Average number of persons employed (including executive directors)	 No.	 No.
Commercial Trading	<u>280</u>	<u>238</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2021

9. DIRECTORS' REMUNERATION AND TRANSACTIONS

Remuneration paid to Directors in the year to March 2021 £nil, (2020: £nil).

Payments made to Directors by the parent company represent remuneration in respect of the management for the group as a whole and are not able to be reliably allocated to qualifying services to the Company.

10. TAX ON (LOSS)/PROFIT

(a) Analysis of charge in the year

Current tax	2021	2020
	£	£
United Kingdom corporation tax at 19% (2020: 19%) based on the (loss)/profit for the year	(126,881)	-
Adjustment in respect of previous periods	176,621	-
Total current tax	49,740	-

(b) Factors affecting tax charge for the year

The tax assessed for the year differs to that resulting from applying the standard rate of corporation tax in the United Kingdom. The differences are explained below.

	2021	2020
	£	£
(Loss)/Profit	(658,563)	1,374,675
Tax charge at 19% (2020: 19%) thereon	(125,127)	261,188
Effects of:		
Expenses not deductible for tax purposes	-	903
Income not taxable	(56,457)	-
Adjustment from previous periods	176,621	(44,998)
Depreciation on ineligible assets	56,457	-
Tax rate changes	-	(5,294)
Unprovided deferred tax charge	(1,754)	(12,239)
Gift aid donation	-	(199,560)
Current tax charge for year	49,740	-

In March 2021, the Chancellor, in the Budget Statement, announced an increase in the rate of corporation tax to 25% with effect from 1 April 2023. This does not constitute substantive enactment and therefore deferred tax assets and liabilities at the balance sheet date continue to be measured at the enacted tax rate of 19%. There will be minimal impact on the unprovided deferred tax balance.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2021

11. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 April 2020	3,137,672	66,153	3,203,825
Additions	-	-	-
At 31 March 2021	<u>3,137,672</u>	<u>66,153</u>	<u>3,203,825</u>
Depreciation			
At 1 April 2020	1,374,387	61,859	1,436,246
Charge for the year	332,815	1,740	334,555
At 31 March 2021	<u>1,707,202</u>	<u>63,599</u>	<u>1,770,801</u>
Net book value			
At 31 March 2021	<u>1,430,470</u>	<u>2,554</u>	<u>1,433,024</u>
At 31 March 2020	<u>1,763,285</u>	<u>4,294</u>	<u>1,767,579</u>

12. STOCKS

	2021 £	2020 £
Goods for resale	<u>142,643</u>	<u>169,879</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	26,765	240,660
Prepayments and accrued income	164,446	113,368
Other debtors	<u>649,609</u>	<u>76,933</u>
	<u>840,820</u>	<u>430,961</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	17,251	68,524
Amounts owed to group undertakings	1,924,386	4,281,227
Taxation and social security	31,389	49,213
Corporation tax	49,740	-
Accruals	985,182	902,053
Deferred income	425,900	445,494
Other creditors	<u>23,846</u>	<u>53,464</u>
	<u>3,457,694</u>	<u>5,799,975</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 March 2021

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Deferred income – capital grants received	792,427	1,089,569

16 DEFERRED INCOME

Deferred income includes capital grants as follows:

	2021	2020
	£	£
Deferred income brought forward	1,386,711	1,683,854
Released to profit and loss account	(297,142)	(297,142)
Deferred income carried forward	1,089,569	1,386,712

This is disclosed in the financial statements within accruals and deferred income as follows:

	2021	2020
	£	£
Amounts falling due within one year	297,142	297,143
Amounts falling after more than one year	792,427	1,089,569
	1,089,569	1,386,712

17. CALLED UP SHARE CAPITAL

	2021	2020
	£	£
Called up, allotted and fully paid		
1 ordinary share of £1 each	1	1

18. EMPLOYEE BENEFITS

Defined contribution schemes

The company operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to the profit and loss account in the period ended 31 March 2021 was £38,456 (2020: £45,054).

19. CONTINGENT LIABILITIES

The company is party to joint bank facilities with The Lowry Centre Trust, the parent company, and joint guarantees are in place in respect of all amounts drawn under that facility. At 31 March 2021 The Lowry Centre Company Limited had no balances drawn under the joint facility (2020: £nil).

20. CONTROLLING PARTY

The company's immediate and ultimate parent company is The Lowry Centre Trust (a company limited by guarantee), which is incorporated in England. The Lowry Centre Trust is considered to be the company's ultimate controlling party.

The largest and smallest group in which the results of the company are consolidated is that headed by The Lowry Centre Trust. Copies of the group financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.