

GRAEAE THEATRE COMPANY LIMITED (THE)

(A Company Limited by Guarantee)

FINANCIAL STATEMENTS FOR THE YEAR ENDED.

31 MARCH 2019

COMPANY REGISTRATION NUMBER: 01619794

CHARITY REGISTRATION NUMBER: 284589

GRAEae
THEATRE COMPANY



The Graeae Theatre Company Limited
(A Company Limited by Guarantee)

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The Graeae Theatre Company Limited
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Report of the Trustees for the year ended 31 March 2019

The Trustees present their report and the financial statements for the year ended 31 March 2019.

The report has been prepared in accordance with the Charities Act 2011 and is also the report of the directors for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 20-22 therein and comply with the charitable company's Memorandum and Articles of Association, applicable laws 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

For the purpose of determining disclosure requirements the charity is classified as:

- a larger charity (having income over £500,000)
- a small company (fewer than 50 employees, turnover less than £6.5million).

Reference and administrative details

<u>Charity number</u>	284589
<u>Company number</u>	01619794
<u>Registered office</u>	Bradbury Studios, 138 Kingsland Road, London E2 8DY

Directors and Trustees

The directors of the charity are its Trustees for the purpose of charity law. The Trustees who served during the year and since the year-end are as follows:

Sarah Howard	(Chair)
Jacqui Adeniji-Williams	
Sharon Marshall	
Tim Powell	
Samantha Tatlow	Reappointed 3 December 2018
Fraser Nicol	Reappointed 3 December 2018, Resigned 3 June 2019
Alice Holland Ballard	Reappointed 3 December 2018, Resigned 27 January 2019
Edward James Watson-O'Neill	Resigned 9 April 2019
Selma Dimitrijevic	Resigned 3 June 2019

Throughout this report the word "Trustees" refers to the individuals and the word "Board" refers to the Trustees acting as a body.

Secretary Charles Mills

Chief Executive Officer Jenny Sealey, MBE
and Artistic Director

Auditor Buzzacott LLP, 130 Wood Street, London EC2V 6DL

Bankers CAF Bank Ltd, 25 Kings Hill Avenue, West Malling, Kent ME19 4JQ

The Graeae Theatre Company Limited
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Report of the Trustees for the year ended 31 March 2019

Structure, governance and management

Governing document

The charity is constituted as a company limited by guarantee and is governed by its Memorandum and Articles of Association dated 10 December 1981 and updated in December 2011. There are currently five members, each of whom agrees to contribute £1 in the event of the charity being wound up.

Appointment of Trustees

As set out in the Articles of Association, the Board may at any time appoint any member of the company as a member of the Board, subject to a maximum of twelve members. Any member so appointed retains his/her office until the next Annual General Meeting and is then eligible for re-election. At each Annual General Meeting one-third of the members who have been longest in office retire. All retiring members are eligible for re-election subject to the limits to terms of office set out in the Articles of Association. The charity aims for a Board where 50% or more of the Trustees identify as Deaf or disabled.

Regular skills' audits are carried out and, when considering appointing new Trustees, the Board has regard to the requirement for any additional specialist skills needed.

Trustee induction and training

New Trustees are provided with an information pack to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the business plan and the recent financial performance of the charity. Trustees are encouraged to attend training courses about the responsibilities of being a trustee at a venue and time convenient to them. Trustees are also encouraged to visit the charity's office to meet employees and other Trustees outside the formal meetings. Trustees' Away Days are held from time to time so that the company's key aims and objectives can be discussed and reviewed. Trustees are also encouraged to attend productions and appropriate in-house training events.

Organisation

The Board meets, at least quarterly, to manage the affairs of the company. Four Trustees must be present for the meeting to be quorate.

There is also a Finance and General Purposes sub-committee which meets up to four times a year. The purpose of the committee is to provide a greater level of scrutiny of, and support to, company officers with a responsibility for financial management.

The Board has previously adopted the NCVO Good Governance: A code for the Voluntary and Community Sector. A new Charity Governance Code, published on 13 July 2017, has been adopted by the Board in September 2019.

The Chief Executive Officer is appointed by the Board to manage the day to day operations of the charity.

To facilitate effective operations, the CEO delegates authority, within terms of delegation approved by the Board, for operational matters including finance, employment, fundraising, and the artistic, training and educational output of the charity.

The key management personnel are:

- the Trustees, who are not paid, and
- the CEO, Operations Director and Finance Director, whose remuneration is set by the Board, with reference to market rates for the theatre and charity sectors.

Other charities and related parties

The charity does not have any subsidiary undertakings. The charity collaborates from time to time with other organisations, particularly in the theatre sector, that may also be charities but does not have any formal long term arrangement with any other charity except in relation to grants received for specific activities.

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Report of the Trustees for the year ended 31 March 2019

Public benefit

The objects of the charity, as set out in the Articles of Association, 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, opera, operetta, dance, ballet, music, singing, literature, poetry, sculpture, painting, mime and puppetry.

The charity's particular purpose as a touring theatre company is to develop and promote disabled-led theatre for a wide-ranging audience. The charity's main activities undertaken to further its purpose are theatrical productions and training, education and learning activities.

The Board has given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under section 17 of the Charities Act 2011 when reviewing the charity's aims and objectives and in planning future activities. The Board considers that all of the charity's objectives deliver benefit to the public, as explained below.

Objectives and activities

Graeae is a world leader in developing and promoting disabled-led theatre for a wide-ranging disabled and non-disabled audience using creative and accessible processes.

Graeae's vision is to create world-class accessible theatre, which breaks down barriers, challenges preconceptions and places Deaf and disabled artists centre stage.

Its mission is to ignite artistic curiosity, pioneer a radical dramatic language, champion accessibility and provide a platform and opportunities for new generations of Deaf and disabled artists, locally, nationally and internationally, through the creation of trail-blazing theatre.

Graeae is a disabled-led company, its values are forged in the need to tackle social injustice, discrimination and exclusion. It is fuelled by the pursuit of inclusion and artistic excellence and champions Deaf and disabled people in the arts.

The company aims to:

- a. **Create world-class theatre:** produce and tour high quality, high impact theatre that is unmistakably Graeae's, providing a platform for the skill, vision and excellence of Deaf and disabled artists.
- b. **Find new audiences:** for Graeae and for the wider industry. Ensure the work has a lasting impact across England, unleashing creativity in regions and communities, working with groups that have little access to art and culture and on a variety of platforms.
- c. **Champion accessibility:** through partnerships with the wider theatre sector on national and international platforms creating, operating, supporting and advising on accessible environments and practice.
- d. **Nurture talent:** create a programme of inclusive training and education activities. Enable emerging and professional Deaf and disabled artists to shine through a programme that engages and inspires.
- e. **Promote excellent governance** and leadership across the company, the theatre sector and other businesses.
- f. **Diversify and collaborate:** invest in partnerships, share resources and identify diverse income streams to reduce reliance on public support and ensure a stable base for future growth.
- g. **Explore new creative horizons:** by developing the methods we use to tell our stories and representing a greater diversity of voices on stage.
- h. **Provide space to grow:** by working with national partners to create new environments for D/deaf and disabled artists to thrive and build independence.

In promoting and producing world-class theatre, led by disabled directors, writers and performers, Graeae seeks to dismantle barriers to employment in the arts for disabled people across the UK. Despite legislative progress and slowly shifting attitudes, there remains a lack of recognition of the talents of disabled people.

Our programme of work seeks to address this through our productions which showcase the skills of disabled performers. Our productions, through their creative use of sign language and audio description, also open up theatre to disabled audiences, particularly visually impaired and Deaf audiences, ensuring that all members of the public benefit from access to the arts. Where possible, we ensure that ticket prices for disabled audience

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Report of the Trustees for the year ended 31 March 2019

Objectives and activities (continued)

members are subsidised and we only tour shows to venues across the UK which have a high standard of access for disabled people.

Enabling equal participation in the arts to ensure that the art we create reflects the full diversity of our society is a long-term objective. Our professional development training programmes provide accessible and inclusive opportunities for aspiring actors, directors and writers with physical and sensory impairments to learn the skills they need in order to take their place on UK stages alongside their non-disabled counterparts. Our training

programmes are significantly subsidised, in recognition of the economic barriers often faced by disabled people, and are open to disabled artists throughout the UK.

Our outreach programme actively engages a new generation of disabled and non-disabled artists in performance through theatre and education projects specifically aimed at young people. By leading workshops, and through their participation in productions, our disabled artists and workshop leaders act as important role models for young participants, raising aspirations and proving that a career in the arts is possible for all. We believe that through investment in training and education, we can effect change within the industry both for individuals and organisations alike, from young people through to professionals, to ensure that there are equal opportunities for all people to benefit from the arts.

The company continues to advocate equality for all Deaf and disabled artists and their right to participate in all aspects of society. Despite the impact of the Disability Discrimination Act, in reality, access is still very uneven in the arts. Most spaces provide only limited levels of accessibility, can cope with only a small number of disabled artists and technicians at any one time, and are capable of dealing with only a limited range of impairments.

Graeae continues to champion access in a number of ways: through promoting accessible environments using the Bradbury Studios as a model of best practice in inclusive design; through the delivery of theatre which reaches out to Deaf, visually impaired and disabled audiences as well as non-disabled audiences; through our accessible and inclusive training and outreach programmes; through our promotion of accessible marketing and teaching materials, and through our advocacy work with other organisations.

Our work represents a critical step in the development of disability arts because it means that Graeae and its beneficiaries will no longer be operating at an automatic disadvantage compared to non-disabled artists and arts organisations.

Graeae's strategic planning is underpinned by sound governance and continual monitoring of our work, measuring quantitatively achievements against targets as well as qualitatively through feedback from audiences and beneficiaries on their experience of Graeae's work.

These were our major activities during the year:

- Premiered a new outdoor production: *This Is Not For You*. Directed by Jenny Sealey, written by Mike Kenny and featuring a cast of 25 wounded veterans, the production reached audiences of 4,000 people across two locations.
- Worked with three RADA students and three professional Deaf performers on a new interpretation of Sarah Kane's *Blasted*.
- Broadcast a new interpretation of *Little Dorrit* on BBC Radio 4. *Amy Dorrit* was set in present day and featured a cast of Deaf and disabled performers, it was co-written by Write to Play graduate Nicky Werenowska.
- Write to Play, a new writing project working with disabled writers, held a sharing for its fifth group of writers (BAME) and welcomed its sixth group (from the South West) in January 2019.
- Ensemble, the actor training programme for eight Deaf and disabled young adults came to its conclusion in July 2018 with a performance of Hurricane Protest Songs, a devised piece, at Rada Studios.

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Report of the Trustees for the year ended 31 March 2019

Objectives and activities (continued)

- *And Others*, a devised piece performed at The National Theatre (Dorfmans), which commemorated the contribution that disabled women played in the Suffragette and Suffragist movements.
- Other performances included *Iron Man Walkabout* (Liberty Unbound Festival), *The Rollettes* (Alexandra Palace) and a partnership with MAC Arts and Sensibility on the Sensibility Festival.
- International projects included development of *The Tempest Reimagined* in Japan, and a series of conferences and talks in Belfast, Brussels and Madrid.

Achievements and performance

Productions and artistic activities

This Is Not For You was an epic outdoor performance paying tribute to Britain's wounded war veterans, men and women whose contributions to history often go unnoticed. The piece was directed by Jenny Sealey, written by Mike Kenny and performed by Blesma, The Limbless Veterans, professional performers and local community choirs. Delivered as part of 14-18 NOW, the UK's arts programme for the First World War centenary, it is a story of the veterans' fight for respect and remembrance with audio description and sign language as integral parts of the production. Graeae, with the National Centre for Circus Arts, has trained 25 disabled veterans in performance especially for the piece.

The production was performed at the Royal Artillery Barracks as part of the Greenwich + Docklands International Festival and at Stockton International Riverside Festival.

Over the last few years, Graeae has been working with drama schools in London to help them think differently about their audition processes and the students they choose to accept on their courses. The Royal Academy of Dramatic Art (RADA) has been working with us on the Ensemble programme, and hosted the showcase for graduates, Hurricane Protest Songs. As part of this ongoing relationship, Jenny Sealey directed a graduate showcase for students on RADA's main performing arts course. In *Blasted*, by Sarah Kane, Jenny revisited a play Graeae performed in 2007. It was performed by three RADA students and three professional Deaf performers in a first for the drama school. The production played to packed houses at RADA Studios in January 2019.

Graeae's new book, *Reasons to be Graeae* (which includes interviews with key creative staff from the last forty years and the script for *Reasons to be Cheerful*), was published on 1 April 2018, was well reviewed and has sold steadily over the last year.

"After finishing Reasons to Be Graeae, I felt like I personally knew Jenny Sealey and her innovative and bright theatre company... Many of the writers who contribute make it very clear that they can't believe that in this day and age, there are still not many theaters like Graeae. They are correct, but even when there are similar theaters (and there will be), Graeae will be the resource they look to first, as they've already set the bar high. So there will always be Reasons to Be Graeae." Review, Madison Parrotta, Disability Arts Online

Amy Dorrit was broadcast across 2 episodes over Christmas and New Year reaching around 1.8 million listeners. It joins Graeae's growing canon of radio plays including *Midwich Cuckoos* and *The Hunchback of Notre Dame*, which aired again in April following the fire. We have already been commissioned to create a new adaptation of *Three Sisters* to be aired in December 2019.

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Achievements and performance (continued)

Training, education and learning

Continuing Professional Development and Emerging Artists

Write to Play is a programme which provides mentoring, advanced workshops, script development and play readings for disabled writers in collaboration with London and regional theatres. Now in the sixth year, this programme is aimed at transforming the industry and providing emerging writers with the support and skills they need to have a thriving career in the arts.

Year 1 - Soho Theatre, The National Theatre Studio, and The Royal Court.

Year 2 - Manchester Royal Exchange, Liverpool Everyman, and Bolton Octagon.

Year 3 - Hull Truck, Live Newcastle, and West Yorkshire Playhouse.

Year 4 - Belgrade Theatre Coventry, Birmingham Rep, and Leicester Curve.

Year 5 - Talawa, Tamasha, The Bush, Ovalhouse, and Soho Theatre.

Year 6 - Theatre Royal Bath, Bristol Old Vic, Exeter Northcott Theatre, Theatre Royal Plymouth, Wiltshire Creative, Nuffield Southampton Theatres.

In year five of the programme, we worked with five BAME disabled writers. The quality of the work in that year was exceptional and we have already commissioned one of the pieces, *Ten Nights*, with co-partners on the project The Bush Theatre and Tamasha.

Outreach programme

Graeae has continued its commitment to engaging young people in the arts and supporting the development of the next generation of disabled artists. This has included a range of workshops and performances as well as individual mentoring through placements and internships which provide opportunities such as stage management, directing, creative learning, producing, composing, design, evaluation and photography.

ENSEMBLE 2018 were a talented group of D/deaf and disabled young artists who had faced barriers to mainstream drama training. They were trained by the best in the business and in July shared their showcase with an invited audience of industry professionals. They have gone on to further training, acting roles and creative development.

This Is Not For You Outreach - The education programme (KS2 & 3) took place in South London and NE England. This explored the unheard stories of those returning from war disabled, how communities adapt and increasing awareness of the cultural diversity of British armies in WW1.

Training and education activities are monitored and evaluated through feedback forms and/or follow-up interviews with participants and trainers.

Raising funds

The majority of the charity's income is provided by grants from Arts Council England and from trusts and foundations. To secure these grants the charity has to prepare detailed applications and subsequently, if successful, to provide reports to the funders on the outcome of the relevant activities. The Board considers that the time invested in fundraising activities is vital to maintaining good relationships with funders so as to increase the possibility of securing longer term and repeat funding. The full list of grant income received for the year is given in note 20 to the financial statements.

There is a particular area of Graeae's work where fundraising from trusts and foundations has proved very difficult. Graeae considers *Ensemble* an essential part of nurturing emerging artists. The pilot programme in 2015-16, which Graeae funded from reserves, was an intense six month course for six Deaf and disabled young actors aged 18-22 years. Support drastically drops when young disabled people become 18 and at this point they face increased barriers to opportunity. Arts Council England has not, so far, committed direct financial support to the *Ensemble* programme but smaller grants from some trusts and foundations supplemented by donations from public appeals and fundraisers, which are a small but welcome part of Graeae's total income, have allowed some elements of the *Ensemble* programme to proceed.

Corporate training is not yet a reliable and sustainable source of income.

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Achievements and performance (continued)

Raising funds (continued)

Graeae aims to achieve best practice in the way in which it communicates with funders, donors and other supporters. The majority of funding comes from organisational funders (rather than individuals), and we set high standards in the way that we present our work. Every application and communication is assessed against standards of representation, empowerment and ownership and we only approach funders with a demonstrable commitment to diversity and inclusivity.

In communicating with individual supporters, we take care with the tone and frequency of communications and the accuracy of data to minimise the pressure on supporters. Graeae is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice. Graeae applies best practice to protect supporters' data and has updated its Data Management Policy and Privacy Policy in line with GDPR.

Graeae undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2017-18 and 2018-19, the Charity received no complaints about its fundraising activities.

Plans for future periods

Productions and other artistic activities

2019-20 includes:

- *One Under* by Winsome Pinnock which is touring from 17 October 2019.
- *Three Sisters* for BBC Radio 4.
- *Ten Nights* by Shahid Iqbal Khan touring to Bush Theatre in May 2020 and on a short tour
- *The Tempest* in Japan in coproduction with Owl Spot
- Planning for Graeae's 40 year anniversary in 2021.

We will continue to welcome disabled and non-disabled artists to our home in the Bradbury Studios, promoting this flagship building and its fully accessible facilities to artists.

Training, education and learning

Our investment in training and developing disabled artists continues with:

- Write to Play – the sixth year of the programme which started in January 2019.
- Youth Programme – a multi strand programme to develop the next generation of Deaf and disabled creative artists.

Wider Strategy for the future

In 2019-20, the staff are putting long-term strategic plans in place to build a sustainable future for the organisation. Following a period of consultation, the organisation is investing in projects that increase our national reach, tell a greater range of stories on stage and consolidate our offer for young people and early career artists. Operationally, there is a need for change. Funding from our existing sources has not risen in line with inflation, causing us to bear the burden of rental increases linked to local market rates. Graeae's Strategic Plan acknowledges this additional challenge but unifies the Board and Staff around delivery of the work that best meets our charitable objectives.

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Financial review

Income

Total income for the year amounted to £1,284,155 (2018: £1,535,757) of which £1,073,040 (2018: £1,131,589) related to grants and donations receivable without which Graeae could not generate the range of productions and training, education and learning activity that it undertakes.

The charity's principal funding source during the year was Arts Council England which provided core revenue funding of £564,399 (2018: £564,399) under an agreement that provided standstill funding for 2015-16, 2016-17, 2017-18 and 2018-19 at the same level as 2014-15.

The charity received funds of £68,751 (2018: £111,487) from the "Access to Work" scheme run by the Department of Work and Pensions. This scheme enables the charity to reclaim some of the additional costs incurred in setting up and providing specific work-related access support. The 2017-18 figure included the access requirements for actors employed on *Reasons to be Cheerful* and also the access requirements for Graeae's artistic director. For 2018-19 the government has placed a cap on the support provided by Access to Work for the artistic director at £57,200 which does not cover the actual requirements of the job. Organisations for which Graeae has carried out work have been able to pay some of the access costs, but Graeae has had to cover additional costs of £6,072 (2018: £nil).

Income from charitable activities includes box office, venue fees and royalties of £39,625 (2018: £181,781) and fees from training and workshops of £49,534 (2018: £74,659). The charity also received income of £52,409 (2018: £35,585) from trading activities (including the hire of office and rehearsal space, hire of vans and technical equipment and sales of books).

Expenditure

Total expenditure has decreased from £1,734,032 for the year ended 31 March 2018 to £1,465,600 in 2018-19.

Expenditure in 2018-19 included:

- *This Is Not For You* production, direct costs of £355,848 (excludes support costs).
- *Write to Play* direct costs of £107,741 (excludes support costs).
- *Ensemble* direct costs of £77,957 (excludes support costs).

Expenditure in 2017-18 included:

- *Reasons to be Cheerful* production, direct costs of £440,052 (excludes support costs).
- *Aruna and the Rising Sun* production, direct costs of £250,904 (excludes support costs).
- Preliminary training for *This Is Not For You*, direct costs of £83,424 (excludes support costs).
- *Write to Play* direct costs of £108,666 (excludes support costs).
- *Ensemble* direct costs of £36,978 (excludes support costs).

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Report of the Trustees for the year ended 31 March 2019

Risk management

The Board periodically reviews the major external risks to which the charity is exposed and has established systems to mitigate those risks, as far as is reasonably possible. Internal risks are mitigated via robust policies and procedures covering all areas of management, human resources, financial probity, health and safety, environmental issues and diversity targets.

After mitigation there remains a level of residual financial risk which the Board manages by detailed monitoring of cash flow and fundraising targets alongside a reserves policy informed by the residual risks as discussed below.

Principal risks and uncertainties

The Board is particularly concerned with risks that have the potential to cause the charity to cease operations, and have set in place policies to mitigate those risks. These include:

Lack of strategy and forward planning leading to financial management difficulties. The charity's management prepare three year Business Plans, regularly updated, and annual budgets, reviewed quarterly against actual income and expenditure. Longer term planning (five to ten years) is challenging because the premises from which Graeae operates are subject to a five yearly rent review, which can have a material effect on overheads. Graeae is addressing these longer term concerns through participation in an ACE sponsored programme called Change Creation.

Health and safety and environmental issues An experienced Operations Director monitors the charity's activities, in Bradbury Studios and elsewhere, and ensures that appropriate policies are in place to provide a safe working environment and to meet other legal requirements.

Failure of an income source The charity does not commit to major projects until funds are confirmed and / or sufficient reserves are earmarked.

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Reserves policy

At 31 March 2019 restricted funds amounted to £1,690,276 (2018: £1,807,099) and unrestricted funds were £786,959 (2018: £851,581).

Designated funds

Some unrestricted funds have been designated by the Board to address specific areas of financial risk.

- Financial management difficulties

Annual and three year budgets are prepared by the charity and there are detailed budgets for individual productions and training projects. However, theatrical projects retain a significant level of risk around audiences, personnel, timing, and funding. In order that the charity can maintain an ambitious programme and support important outreach opportunities the Board has designated two reserves to assist with funding shortfalls: Artistic fund £40,000 (2018: £60,000); Training, education and learning fund £20,000 (2018: £50,238).

The charity occupies leased premises that are subject to an upward rent review every five years. The Board has designated a reserve to partially offset the effect of these increases: Leasehold property operational fund £64,000 (2018: £80,000).

The Board is aware of the importance of investment in succession planning, skills' development, marketing and fundraising activities and has designated two funds to support this investment: Marketing fund £18,000 (2018: £18,000); Strategic development fund £12,992 (2018: £14,857).

Fixed asset purchases impact operational budgets over more than one year. The Board designates funds to cover the cost of purchasing and replacing fixed assets where these are not funded by specific grants: Fixed asset fund £9,666 (2018: £16,335). The relevant depreciation is offset against the fund each year.

- Building liability

The charity has a responsibility for the health and safety of people working in and visiting Bradbury Studios. In order to maintain a safe and pleasant working environment the Board has designated a fund for periodic equipment and building maintenance and for unplanned major repairs: Sinking fund £60,000 (2018: £63,933).

- Loss of income source

The charity obtains financial support from the government's Access to Work Scheme but the Board is aware that future support from this scheme is expected to become more limited. The Board has designated a fund to cover unexpected salary costs and other costs relating specifically to staff requiring access support: Access fund £25,000 (2018: £25,000).

Further details about the designated funds can be found in note 14 to the financial statements.

The Board is also aware that failure to comply with regulatory requirements could have potential for significant financial impact on the charity (fines) or closure but considers that it is inappropriate to make specific financial provision for such matters.

General funds

After designating funds to address particular risks the Board aims to hold unrestricted general funds in the region of six months' operating costs. Unrestricted general funds at 31 March 2019 amounted to £537,301 (2018: £523,218). The average monthly operating cost during the year (which excludes the direct costs of productions and training) was £55,855 (2018: £43,577). The balance of undesignated general funds at 31 March 2019 represents 9.6 months of operating costs (2018: 12 months). In the current economic climate, and while work continues on developing the long term strategy for the charity, the Board is comfortable with holding this level of general funds.

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Report of the Trustees for the year ended 31 March 2019

Statement of Trustees' Responsibilities

The Trustees (who are also directors of The Graeae Theatre Company Limited for the purposes of company law) are responsible for preparing the Trustees' report and 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 charitable company and of the income and expenditure of the charitable company for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 charitable company will continue in operation.

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

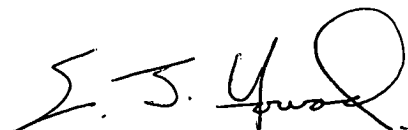
Each of the Trustees confirms that:

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

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

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

This report was approved by the Board on 2 September 2019 and signed on its behalf by:



Sarah Howard
Chair

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Independent auditor's report to the members of The Graeae Theatre Company Limited

Opinion

We have audited the financial statements of The Graeae Theatre Company Limited (the 'charitable company') for the year ended 31 March 2019 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 2019 and of 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 charitable company 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

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

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

The Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Independent auditor's report to the members of The Graeae Theatre Company Limited

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters 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 take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

The Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Independent auditor's report to the members of The Graeae Theatre Company Limited

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes 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 charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at 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.



Catherine Biscoe, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

11 September 2019

The Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Statement of Financial Activities (incorporating an income and expenditure account)
For the Year Ended 31 March 2019

	Notes	Restricted Funds	Unrestricted Funds		Total Funds 2019
		£	General	Designated	£
Income from:					
Donations	2	170,752	592,007	-	762,759
Charitable activities	3	379,032	89,169	-	468,201
Other trading activities	4	-	52,409	-	52,409
Investments	5	-	786	-	786
Total		<u>549,784</u>	<u>734,371</u>	<u>-</u>	<u>1,284,155</u>
Expenditure on:					
Raising funds	6	6,549	138,144	-	144,693
Charitable activities	7	559,800	761,107	-	1,320,907
Total		<u>566,349</u>	<u>899,251</u>	<u>-</u>	<u>1,465,600</u>
Net expenditure	10	(16,565)	(164,880)	-	(181,445)
Transfers between funds	14	(100,258)	178,963	(78,705)	-
Net movement in funds		<u>(116,823)</u>	<u>14,083</u>	<u>(78,705)</u>	<u>(181,445)</u>
Reconciliation of funds:					
Total funds brought forward	14	1,807,099	523,218	328,363	2,658,680
Total funds carried forward	14	<u>1,690,276</u>	<u>537,301</u>	<u>249,658</u>	<u>2,477,235</u>

The Statement of Financial Activities includes all gains and losses recognised in the above financial year.

All income and expenditure derive from continuing activities during the above financial year.

The Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Statement of Financial Activities (incorporating an income and expenditure account)
For the Year Ended 31 March 2018

	Notes	Restricted Funds	Unrestricted Funds		Total Funds 2018
		£	General	Designated	£
Income from:					
Donations	2	128,740	623,937	-	752,677
Charitable activities	3	490,669	256,440	-	747,109
Other trading activities	4	-	35,585	-	35,585
Investments	5	-	386	-	386
Total		<u>619,409</u>	<u>916,348</u>	<u>-</u>	<u>1,535,757</u>
Expenditure on:					
Raising funds	6	7,757	115,573	-	123,330
Charitable activities	7	837,671	773,031	-	1,610,702
Total		<u>845,428</u>	<u>888,604</u>	<u>-</u>	<u>1,734,032</u>
Net (expenditure) income	10	(226,019)	27,744	-	(198,275)
Transfers between funds	14	(83,871)	70,437	13,434	-
Net movement in funds		<u>(309,890)</u>	<u>98,181</u>	<u>13,434</u>	<u>(198,275)</u>
Reconciliation of funds:					
Total funds brought forward	14	2,116,989	425,037	314,929	2,856,955
Total funds carried forward	14	<u>1,807,099</u>	<u>523,218</u>	<u>328,363</u>	<u>2,658,680</u>

The Statement of Financial Activities includes all gains and losses recognised in the above financial year.

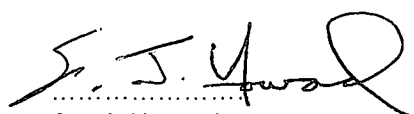
All income and expenditure derive from continuing activities during the above financial year.

The Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Balance Sheet at 31 March 2019

	Notes	2019	2018
		£	£
Fixed assets:			
Tangible assets		1,658,422	1,760,302
Heritage assets		1,300	1,300
		<hr/>	<hr/>
<i>Total fixed assets</i>	11	1,659,722	1,761,602
		<hr/>	<hr/>
Current assets:			
Debtors	12	117,932	215,764
Cash at bank and in hand		778,330	813,299
		<hr/>	<hr/>
<i>Total current assets</i>		896,262	1,029,063
		<hr/>	<hr/>
Liabilities:			
Creditors: amounts falling due within one year	13	78,749	131,985
		<hr/>	<hr/>
<i>Net current assets</i>		817,513	897,078
		<hr/>	<hr/>
<i>Total net assets</i>		2,477,235	2,658,680
		<hr/>	<hr/>
The funds of the charity:			
Restricted Funds	14	1,690,276	1,807,099
Unrestricted Funds			
Designated	14	249,658	328,363
General	14	537,301	523,218
		<hr/>	<hr/>
<i>Total charity funds</i>		2,477,235	2,658,680
		<hr/>	<hr/>

Approved by the Board on 2 September 2019 and signed on its behalf by



Sarah Howard
Chair

Company no. 01619794

The Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 March 2019

	Notes	2019	2018
		£	£
Cash flows from operating activities:			
Net cash used in operating activities	A	<u>(34,805)</u>	<u>(210,691)</u>
Cash flows from investing activities			
Interest received		786	386
Purchase of tangible fixed assets		<u>(950)</u>	<u>(11,818)</u>
Net cash used in investing activities		<u>(164)</u>	<u>(11,432)</u>
Change in cash and cash equivalents in the year		<u>(34,969)</u>	<u>(222,123)</u>
Cash and cash equivalents at 1 April 2018		<u>813,299</u>	<u>1,035,422</u>
Cash and cash equivalents at 31 March 2019		<u>778,330</u>	<u>813,299</u>
A Reconciliation of net (expenditure) income to net cash flow from operating activities			
Net expenditure for the reporting period		(181,445)	(198,275)
Adjustments for:			
Depreciation charges		92,277	90,540
Assets in development written off		10,553	-
Interest received		(786)	(386)
Decrease / (increase) in debtors		97,832	(131,124)
(Decrease) / increase in creditors		<u>(53,236)</u>	<u>28,554</u>
Net cash used in operating activities		<u>(34,805)</u>	<u>(210,691)</u>

**The Graeae Theatre Company Limited
(A Company Limited by Guarantee)**

**Notes to the Financial Statements
For the Year Ended 31 March 2019**

1 ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared for the year to 31 March 2019 under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The financial statements are presented in sterling and are rounded to the nearest pound.

(b) Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- estimating the allocation of support costs between activities;
- estimating the useful economic life of tangible fixed assets;
- estimating the value of donated services and gifts.

(c) Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

(d) Income

(1) Donations and legacies, including grants which are not conditional on delivering certain levels of activity, are recognised when these are receivable unless the donor has specified that the donation or grant relates to a future period or that certain pre-conditions must be fulfilled before use. In these cases amounts received are recognised in the relevant period or when the pre-conditions have been met and until then are treated as deferred income. Donations and grants for particular purposes are identified as restricted funds.

(2) Income from box office and venue fees is included in income in the period in which the relevant production takes place.

(3) Other income is recognised on a receivable basis when there is legal entitlement to receipt.

(4) Income relating to rentals in a subsequent period is treated as deferred income.

(5) The value of donated services and gifts in kind provided to the charity are recognised as income at their open market value in the period in which they are receivable, where the benefit to the charity can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities or capitalised as appropriate.

The Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2019 (continued)

1 ACCOUNTING POLICIES (continued)

(e) Expenditure

- (1) Expenditure is accounted for on an accruals basis.
- (2) Expenditure on raising funds comprise those costs incurred in attracting donations, grants and trading income, plus a proportion of the underlying support costs of the company.
- (3) Expenditure on charitable activities comprises those costs incurred on productions, other artistic activities and training and outreach programmes. It includes both costs that can be allocated directly to those activities plus a proportion of the underlying support costs of the company.
- (4) Core staff costs, office administrative expenses and premises costs are allocated to the costs of raising funds and charitable activities on an estimate of time spent by staff supporting these activities.
- (5) Governance costs, which comprise costs directly attributable to the management of the charity's assets, organisational procedures and the necessary legal procedures for compliance with statutory requirements, are included within administrative expenses.

(f) Productions

- (1) For productions occurring wholly within one financial year box office and venue fees are recognised in that year and costs are recognised as incurred. Typically costs are incurred in advance of income being generated.
- (2) Where a production spans the year-end and is expected to be loss making, the expected loss is recognised in full in the year in which the loss is foreseen.
- (3) Where production set up costs have been incurred prior to the year-end but the production has not yet opened, the set up costs are carried forward at the balance sheet date as deferred production costs until such time as the production opens.

(g) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Assets costing less than £500 are not capitalised. Depreciation is provided on a straight line basis to write off the assets over their anticipated useful economic lives, as follows:

Leasehold property	30 years
Computer equipment	2 years
Office equipment, production equipment, motor vehicles	4 years

Assets under development, being the accumulated costs of designing and building bespoke equipment, are included under tangible fixed assets but are not depreciated until the assets are brought into use. If a decision is made to discontinue development then the accumulated costs are written off in the year that decision is made.

(h) Heritage assets

Heritage assets are works of art which are held and maintained principally for their contribution to knowledge and culture. Heritage assets are not depreciated.

(i) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

(j) Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Notes to the Financial Statements
For the Year Ended 31 March 2019 (continued)

1 ACCOUNTING POLICIES (continued)

(k) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

(l) Fund structure

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's objects.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

Restricted funds comprise i) monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions, and also ii) the net book value of tangible fixed assets is included in restricted funds where those assets are funded through restricted grants or donations which require the charity to hold those assets on an ongoing basis for a specific purpose.

(m) Operating lease commitments

Rentals payable under operating leases are charged against expenditure as incurred over the lease term.

(n) Pension commitments

The company contributes to a defined contribution pension scheme on behalf of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charge represents contributions paid and payable in the year by the company.

(o) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Statement of Financial Activities.

(p) Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets – other debtors are basic financial instruments and are debt instruments measured at amortised cost. Listed investments are a basic financial instrument as detailed above. Prepayments are not financial instruments.

Cash at bank – classified as a basic financial instrument and is measured at face value.

Financial liabilities – accruals and other creditors are financial instruments, and are measured at amortised cost

2 INCOME FROM DONATIONS AND GRANTS

	Restricted	Unrestricted	2019 Total	Restricted	Unrestricted	2018 Total
	£	£	£	£	£	£
Arts Council England (ACE)	-	564,399	564,399	-	564,399	564,399
Other grants received (see note 20)	170,752	-	170,752	125,480	25,000	150,480
Donations	-	27,608	27,608	3,260	34,538	37,798
Total voluntary income	170,752	592,007	762,759	128,740	623,937	752,677

The funding from Arts Council England and the grants from other funders included under this heading are provided to help the company implement its business plan or to support particular projects but entitlement to the grant is not conditional on fulfilling specific performance-related conditions.

Grants that have specific performance-related conditions are reported as income from charitable activities (note 3).

Notes to the Financial Statements
For the Year Ended 31 March 2019 (continued)

3 INCOME FROM CHARITABLE ACTIVITIES

	Restricted £	Unrestricted £	2019 Total £	Restricted £	Unrestricted £	2018 Total £
Box office, venue fees and royalties	-	39,635	39,635	-	181,781	181,781
Fees from training, workshops and other artistic	-	49,534	49,534	-	74,659	74,659
Other grants received (see note 20)	310,281	-	310,281	379,182	-	379,182
Access to Work	68,751	-	68,751	111,487	-	111,487
Total income from charitable activities	379,032	89,169	468,201	490,669	256,440	747,109

4 INCOME FROM OTHER TRADING ACTIVITIES

	Restricted £	Unrestricted £	2019 Total £	Restricted £	Unrestricted £	2018 Total £
Income from hire of space and equipment	-	50,616	50,616	-	35,585	35,585
Sales of merchandise and other income	-	1,793	1,793	-	-	-
Total income from other trading activities	-	52,409	52,409	-	35,585	35,585

5 INCOME FROM INVESTMENTS

	Restricted £	Unrestricted £	2019 Total £	Restricted £	Unrestricted £	2018 Total £
Interest on deposit accounts	-	786	786	-	386	386

6 EXPENDITURE ON RAISING FUNDS

	Restricted £	Unrestricted £	2019 Total £	Restricted £	Unrestricted £	2018 Total £
Expenditure on raising grants and donations	-	32,970	32,970	-	36,649	36,649
Expenditure on other trading activities	-	34,624	34,624	-	23,603	23,603
Support costs for raising funds	6,549	70,550	77,099	7,757	55,321	63,078
Total expenditure on raising funds	6,549	138,144	144,693	7,757	115,573	123,330

7 EXPENDITURE ON CHARITABLE ACTIVITIES

The company undertakes direct charitable activities only and does not make grant payments.

	Restricted £	Unrestricted £	2019 Total £	Restricted £	Unrestricted £	2018 Total £
Productions and other artistic	344,312	31,091	375,403	572,987	242,131	815,118
Support costs for productions and other artistic	41,256	444,465	485,721	48,872	348,520	397,392
Training, education and learning (TEL)	156,552	95,065	251,617	194,867	33,014	227,881
Support costs for TEL	17,680	190,486	208,166	20,945	149,366	170,311
Total expenditure on charitable activities	559,800	761,107	1,320,907	837,671	773,031	1,610,702

The Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2019 (continued)

8 ANALYSIS OF SUPPORT COSTS

Support costs are allocated by management estimates of the proportion of staff time spent supporting supporting the three main activities, as follows:

	Raising funds	Productions and other artistic	Training education and learning	2019 Total
Allocation for year ended 31 March 2019	10%	63%	27%	100%
	£	£	£	£
Staff	34,897	219,849	94,221	348,967
Premises	27,535	173,469	74,344	275,348
Administration	14,667	92,403	39,601	146,671
	<hr/>	<hr/>	<hr/>	<hr/>
	77,099	485,721	208,166	770,986
	<hr/>	<hr/>	<hr/>	<hr/>
				2018 Total
Allocation for year ended 31 March 2018	10%	63%	27%	100%
	£	£	£	£
Staff	30,381	191,400	82,028	303,809
Premises	19,916	125,470	53,773	199,159
Administration	12,781	80,522	34,510	127,813
	<hr/>	<hr/>	<hr/>	<hr/>
	63,078	397,392	170,311	630,781
	<hr/>	<hr/>	<hr/>	<hr/>

9 ANALYSIS OF STAFF COSTS

<u>Employees</u>	2019 £	2018 £
Salaries and wages	384,120	494,427
Social security costs	33,844	32,952
Pension costs	25,871	26,260
	<hr/>	<hr/>
Total employee costs	443,835	553,639
	<hr/>	<hr/>

The company operates a defined contribution pension scheme. At 31 March 2019, there were 11 employees (2018: 13) with retirement benefits accruing under this scheme.

The average head count (number of staff employed) on the payroll during the year (including casual and part-time staff) was 13 (2018: 18).

The average number of full-time equivalent employees on the payroll during the year (including casual and part-time staff) was 12 (2018: 16).

The Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2019 (continued)

9 ANALYSIS OF STAFF COSTS (continued)

There were no employees during the year with emoluments (excluding pension contributions) above £60,000 (2018: none).

The key management personnel are the trustees, the Chief Executive Officer, the Operations Director, and the Finance Director. The trustees were not paid during the year or the prior year. The salary and pensions paid for the other key management personnel in respect of their services to the charity are shown below.

	Salary	NI	Pension	2019 Total
	£	£	£	£
Jenny Sealey, CEO and Artistic Director	57,000	6,704	3,990	67,694
Kevin Walsh, Operations Director	46,250	4,953	3,238	54,441
Charles Mills, Finance Director	46,250	5,218	3,238	54,706
				176,841

	Salary	NI	Pension	2018 Total
	£	£	£	£
Jenny Sealey, CEO and Artistic Director	57,000	6,740	3,990	67,730
Kevin Walsh, Operations Director	45,750	5,187	3,203	54,140
Charles Mills, Finance Director	45,750	5,187	3,203	54,140
				176,010

Pay multiples of full time equivalent earnings for monthly paid staff at the start of the financial year	2019	2018
Highest to median	1.8	2.0
Highest to lowest	2.7	3.2

Percentage by which hourly earnings for monthly paid male staff exceed hourly earnings for monthly paid female staff at the start of the financial year	2019	2018
Mean	21	27
Median	28	34

<u>Non-payroll</u>	2019	2018
In addition to employees paid through the payroll the company contracts with specific individuals to provide services in relation to the company's activities. These individuals include actors, musicians, directors, choreographers, designers, stage managers, duty managers, practitioners, facilitators, access support workers, interpreters, fundraisers, marketing consultants and financial consultants. The total cost associated with these additional individuals is:	£	£
	448,867	240,620

10 NET (EXPENDITURE) INCOME BEFORE TRANSFERS	2019	2018
	£	£
Net (expenditure) income before transfers is stated after charging:		
Depreciation	92,277	90,540
Auditor's remuneration (statutory audit)	6,750	6,700

The Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2019 (continued)

11 FIXED ASSETS

	Heritage assets £	Assets under development £	Computer Equipment £	Production Equipment £	Motor Vehicles £	Office Equipment £	Leasehold Property £	Total £
COST								
At 1 April 2018	1,300	10,553	37,285	124,326	38,356	105,887	2,443,033	2,760,740
Additions	-	-	950	-	-	-	-	950
Disposals	-	(10,553)	-	-	-	-	-	(10,553)
At 31 March 2019	<u>1,300</u>	<u>-</u>	<u>38,235</u>	<u>124,326</u>	<u>38,356</u>	<u>105,887</u>	<u>2,443,033</u>	<u>2,751,137</u>
DEPRECIATION								
At 1 April 2018	-	-	29,724	116,465	38,356	103,143	711,450	999,138
Charge for the year	-	-	6,398	2,665	-	1,779	81,435	92,277
At 31 March 2019	<u>-</u>	<u>-</u>	<u>36,122</u>	<u>119,130</u>	<u>38,356</u>	<u>104,922</u>	<u>792,885</u>	<u>1,091,415</u>
NET BOOK VALUES								
At 31 March 2019	<u>1,300</u>	<u>-</u>	<u>2,113</u>	<u>5,196</u>	<u>-</u>	<u>965</u>	<u>1,650,148</u>	<u>1,659,722</u>
At 31 March 2018	<u>1,300</u>	<u>10,553</u>	<u>7,561</u>	<u>7,861</u>	<u>-</u>	<u>2,744</u>	<u>1,731,583</u>	<u>1,761,602</u>

The heritage asset is a painting of Nabil Shaban by Eleanor Johnson which was donated to the company in November 2016.

12 DEBTORS

	2019 £	2018 £
Trade debtors	14,152	52,771
Other debtors and prepayments	80,144	162,993
Deferred production costs	23,636	-
	<u>117,932</u>	<u>215,764</u>

13 CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	5,290	15,810
Other taxes and social security	9,457	10,629
Deferred income	750	1,020
Other creditors and accruals	63,252	104,526
	<u>78,749</u>	<u>131,985</u>

The company operates a defined contribution scheme for its employees.
There were no outstanding contributions in creditors at 31 March 2019 or 31 March 2018.

The Graeae Theatre Company Limited
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Notes to the Financial Statements
For the Year Ended 31 March 2019 (continued)

14 MOVEMENTS IN FUNDS

	At 1 April 2018 £	Income £	Expenditure £	Transfers to General £	Transfers from General £	At 31 March 2019 £
Restricted funds						
Leasehold property, including ACE Sustain	1,724,526	-	-	(81,133)	-	1,643,393
Equipment grants	22,640	-	-	(15,625)	-	7,015
Productions and other artistic activities	28,498	318,281	(343,384)	-	-	3,395
Arts Council Funding - Investment funds	-	8,000	-	(3,500)	-	4,500
Training, education and learning	31,435	154,752	(154,214)	-	-	31,973
Access to Work	-	68,751	(68,751)	-	-	-
Total restricted funds	1,807,099	549,784	(566,349)	(100,258)	-	1,690,276
Unrestricted funds						
Designated funds						
Artistic fund	60,000	-	-	(37,888)	17,888	40,000
Training, education and learning	50,238	-	-	(31,634)	1,396	20,000
Marketing fund	18,000	-	-	-	-	18,000
Strategic development fund	14,857	-	-	(1,865)	-	12,992
Fixed asset fund	16,335	-	-	(7,619)	950	9,666
Access fund	25,000	-	-	(15,732)	15,732	25,000
Sinking fund	63,933	-	-	(30,109)	26,176	60,000
Leasehold property operational fund	80,000	-	-	(16,000)	-	64,000
Total designated funds	328,363	-	-	(140,847)	62,142	249,658
General funds	523,218	734,371	(899,251)	241,105	(62,142)	537,301
Total unrestricted funds	851,581	734,371	(899,251)	100,258	-	786,959
Total funds	2,658,680	1,284,155	(1,465,600)	-	-	2,477,235

Summary of transfers from restricted funds to unrestricted funds

Depreciation of assets purchased with restricted funds	84,658
Grants for applied to the costs of discontinued assets under development	12,100
Arts Council funding for strategic planning	3,500
	<u>100,258</u>

The Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2019 (continued)

14 MOVEMENTS IN FUNDS (continued)

	At 1 April 2017 £	Income £	Expenditure £	Transfers to General £	Transfers from General £	At 31 March 2018 £
<u>Restricted funds</u>						
Leasehold property, including ACE Sustain	1,805,659	-	-	(81,133)	-	1,724,526
Equipment grants	16,378	9,000	-	(2,738)	-	22,640
Productions and other artistic activities	39,922	252,442	(263,866)	-	-	28,498
Arts Council Funding - Re:Imagine India	29,218	30,000	(59,218)	-	-	-
Arts Council Funding - Strategic touring	110,000	110,000	(220,000)	-	-	-
Training, education and learning	115,812	106,480	(190,857)	-	-	31,435
Access to Work	-	111,487	(111,487)	-	-	-
Total restricted funds	2,116,989	619,409	(845,428)	(83,871)	-	1,807,099
<u>Unrestricted funds</u>						
<u>Designated funds</u>						
Artistic fund	70,000	-	-	(53,680)	43,680	60,000
Training, education and learning	29,238	-	-	-	21,000	50,238
Marketing fund	18,000	-	-	-	-	18,000
Strategic development fund	16,232	-	-	(1,375)	-	14,857
Fixed asset fund	18,694	-	-	(6,669)	4,310	16,335
Access fund	20,000	-	-	(1,114)	6,114	25,000
Sinking fund	66,365	-	-	(2,432)	-	63,933
Leasehold property operational fund	76,400	-	-	(11,400)	15,000	80,000
Total designated funds	314,929	-	-	(76,670)	90,104	328,363
General funds	425,037	916,348	(888,604)	160,541	(90,104)	523,218
Total unrestricted funds	739,966	916,348	(888,604)	83,871	-	851,581
Total funds	2,856,955	1,535,757	(1,734,032)	-	-	2,658,680

Summary of transfers from restricted funds to unrestricted funds

Depreciation of assets purchased with restricted funds 83,871

The Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2019 (continued)

14 MOVEMENTS IN FUNDS (continued)

Restricted funds

Leasehold property fund

The leasehold property fund was set up in 2007-08 for funding received in the development of the Bradbury Studios. The building was acquired under a 30-year lease. The transfer for the year represents the annual depreciation charge.

Grant for equipment grants

These funds represent grants received to contribute to the cost of purchasing or developing specific assets. No grants were received during the year (2018: £9,000). £15,625 (2018: £2,738) was applied for depreciation on the assets purchased and costs incurred on equipment no longer being developed.

Productions and other artistic activities

This fund represents:

- grants from the Imperial War Museum, Calouste Gulbenkian Foundation, Blesma and Liebrich Foundation for the production *This Is Not For You*. All the funds were spent during the year.
- a grant from the Ramps on the Moon consortium for development of a future production, all of which has been spent during the year.
- a grant from the Liz and Terry Bramell Foundation for development of a future production of which £3,395 (2018: £nil) remains unspent at the end of the year.

Arts Council Funding - Investment funds

£8,000 was received in the year (2018: £nil) for work on the charity's strategic plan, of which £4,500 (2018: £nil) remains unspent at the end of the year.

Training, education and learning

Grants totalling £154,752 (2018: £106,480) were received in the year to contribute to the costs of the youth programme, the new writing programmes *Write to Play* and *Play Labs*, Ensemble and other workshop activities.

Access to Work

The company receives funds from the Department of Work and Pension's "Access to Work" scheme. The scheme enables the company to reclaim some of the additional costs incurred in setting up and providing work-related access support.

The Graeae Theatre Company Limited
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Notes to the Financial Statements
For the Year Ended 31 March 2019 (continued)

14 MOVEMENTS IN FUNDS (continued)

Unrestricted funds

General funds

General funds represent those funds that are unrestricted and not designated for other specific purposes.

Artistic fund

The artistic fund allows the company to develop a more strategic and ambitious programme in the future. £37,888 (2018: £53,680) was applied during the year to Graeae's UK productions. The Board has agreed to transfer £17,888 (2018: £43,680) to this fund at 31 March 2019 to support future work.

Training, education and learning fund

This fund comprises £20,000 (2018: £50,238) to support important outreach opportunities which may not be fully funded through specific grants.

Marketing fund

The marketing fund is available to support marketing and publicity costs of future projects.

Strategic development fund

The strategic development fund supports investment in succession planning, skills' development and fundraising activities. During the year £1,825 (2018: £1,375) was applied to supporting Graeae's participation in Change Creation, part of Arts Council England's Building Resilience programme.

Fixed asset fund

The fixed asset fund is to cover the cost of purchasing and replacing fixed assets where these are not funded by specific grants. During the year £7,619 (2018: £6,669) was utilised in respect of depreciation on assets purchased through the fund. An additional £950 (2018: £4,310) has been allocated to the fund.

Access fund

The company employs a higher proportion of people with disabilities than most other organisations. This fund is set up to support access costs that are not covered by Access to Work or by specific grants. £15,732 (2018: £1,114) has been utilised during the year. An additional £15,732 (2018: £6,114) has been allocated to the fund.

Sinking fund

The sinking fund has been set up to cover equipment maintenance, general wear and tear of the building and unplanned maintenance. £30,109 (2018: £2,432) has been released in respect of repairs during the year and a further £26,176 (2018: £nil) has been allocated to the fund.

Leasehold property operational fund

The leasehold property operational fund has been set up to provide for the anticipated quinquennial rent reviews under the lease and increases in costs of the new building generally. £16,000 (2018: £11,400) was utilised during the year to offset the rent increase applied from July 2018. In view of the considerable uncertainty about the level of future rents no further allocation has been made to the fund this year (2018: £15,000).

The Graeae Theatre Company Limited
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Notes to the Financial Statements
For the Year Ended 31 March 2019 (continued)

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted	Unrestricted	Unrestricted	2019
	General	General	Designated	Total
	£	£	£	£
Fixed assets	1,648,756	1,300	9,666	1,659,722
Current assets	43,600	612,670	239,992	896,262
Current liabilities	(2,080)	(76,669)	-	(78,749)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	1,690,276	537,301	249,658	2,477,235
	<hr/>	<hr/>	<hr/>	<hr/>

	Restricted	Unrestricted	Unrestricted	2018
	General	General	Designated	Total
	£	£	£	£
Fixed assets	1,733,414	11,853	16,335	1,761,602
Current assets	95,534	621,501	312,028	1,029,063
Current liabilities	(21,849)	(110,136)	-	(131,985)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2018	1,807,099	523,218	328,363	2,658,680
	<hr/>	<hr/>	<hr/>	<hr/>

16 CAPITAL COMMITMENTS

The company had no capital commitments at 31 March 2019 or at 31 March 2018.

Notes to the Financial Statements
For the Year Ended 31 March 2019 (continued)

17 OPERATING LEASE COMMITMENTS

At 31 March 2019 the charity was committed to making the following payments under non-cancellable operating leases:

	2019 £	2018 £
Land and buildings - operating leases payments due		
In under one year	120,945	41,500
Later than one year and not later than two years	120,000	30,945
Later than two years and not later than five years	360,000	90,000
Later than five years	1,715,507	458,877
	<hr/>	<hr/>
	2,316,452	621,322
	<hr/>	<hr/>
Plant and machinery - operating leases payments due		
In under one year	1,720	3,456
Later than one year and not later than two years	-	1,728
Later than two years and not later than five years	-	-
	<hr/>	<hr/>
	1,720	5,184
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The lease agreement for the premises at Bradbury Studios is subject to a quinquennial rent review. (see also note 18). The next review is due at 18 July 2023.

The lease agreement for the store in Erith expires on 30 April 2019. Since the year end the company has entered into a three year lease on a different building in the same area.

18 LEGAL CHARGE

On 24 November 2008, the company signed a lease relating to premises at Bradbury Studios, 138 Kingsland Road, London, E2 8DY for a term of 30 years expiring 17 July 2038. The lease premium paid was £1,000,000 plus VAT of £175,000.

Arts Council England (ACE) provided a grant to cover the cost of the premium and other costs relating to the premises. It was a condition of the grant that ACE have a fixed and floating security over the assets of the company. The charge is also dated 24 November 2008.

Notes to the Financial Statements
For the Year Ended 31 March 2019 (continued)

19 RELATED PARTY TRANSACTIONS

<u>Trustee expenses</u>		2019		2018
	Number	£	Number	£
The following amounts were reimbursed to Trustees:				
Travel and accommodation	1	834	2	582
Training courses	-	-	1	42

During 2018-19:

One trustee undertook work as a freelance actor for the Write To Play programme on normal business terms on two occasions for a total fee of £402.

One trustee is employed by a company which hired space from the charity for two days on normal business terms.

The charity paid £196 for one trustee to attend a British Sign Language training course.

During 2017-18:

One trustee was employed by Historic Royal Palaces. Graeae received a fee of £575 for consultancy work undertaken for Historic Royal Palaces on normal business terms.

One trustee ran a workshop for the Write To Play programme on normal business terms for a fee of £300.

The charity administered funds as agent on behalf of an individual who also undertakes freelance work for Graeae from time to time.

Other than as stated above, there were no related party transactions.

The Graeae Theatre Company Limited
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Notes to the Financial Statements
For the Year Ended 31 March 2019 (continued)

20 OTHER GRANTS RECEIVED

	Restricted	Unrestricted	2019 Total	Restricted	Unrestricted	2018 Total
	£	£	£	£	£	£
Note 2 - income from donations						
Arts Council England Investment Funds	8,000	-	8,000	-	-	-
Backstage Trust	10,000	-	10,000	10,000	-	10,000
Bruce Wake Charitable Trust	2,000	-	2,000	-	-	-
Calouste Gulbenkian Foundation	-	-	-	8,000	-	8,000
Chapman Charitable Trust	-	-	-	1,000	-	1,000
Charterhouse Charitable Trust	-	-	-	5,000	-	5,000
City Bridge Trust	-	-	-	47,950	-	47,950
Dischma Charitable Trust	-	-	-	2,000	-	2,000
Ernest Cook Trust	-	-	-	3,500	-	3,500
Esmée Fairbairn Foundation	100,000	-	100,000	-	-	-
Garfield Weston Foundation	20,000	-	20,000	-	-	-
John Ellerman Foundation	-	-	-	-	25,000	25,000
Liebreich Foundation	-	-	-	2,000	-	2,000
Postcode Community Trust	-	-	-	20,000	-	20,000
Ramps on the Moon	3,000	-	3,000	7,000	-	7,000
Schroder Charitable Trust	4,000	-	4,000	-	-	-
The Act Foundation	-	-	-	4,000	-	4,000
The Drapers Charitable Found	-	-	-	5,000	-	5,000
The Great Britain Sasakawa Foundation	2,000	-	2,000	-	-	-
The Guido Charitable Trust	1,000	-	1,000	-	-	-
The John Thaw Foundation	1,000	-	1,000	-	-	-
The Liz and Terry Bramall Foundation	9,930	-	9,930	-	-	-
The Mackintosh Foundation	-	-	-	1,500	-	1,500
The National Lottery Community Fund	9,822	-	9,822	8,530	-	8,530
	170,752	-	170,752	125,480	25,000	150,480
Note 3 - income from charitable activities						
Arts Council England Re:Imagine India	-	-	-	30,000	-	30,000
Arts Council England Strategic Touring	-	-	-	110,000	-	110,000
1418Now Imperial War Museum	101,200	-	101,200	15,000	-	15,000
Blesma	158,481	-	158,481	20,000	-	20,000
British Council India	-	-	-	35,000	-	35,000
Calouste Gulbenkian Foundation	50,000	-	50,000	50,000	-	50,000
MRF Ltd	-	-	-	21,843	-	21,843
Ramps on the Moon	600	-	600	-	-	-
Wellcome Trust	-	-	-	97,339	-	97,339
	310,281	-	310,281	379,182	-	379,182