

# GRAEAE THEATRE COMPANY LIMITED (THE)

(A Company Limited by Guarantee)

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 MARCH 2022

COMPANY REGISTRATION NUMBER: 01619794

CHARITY REGISTRATION NUMBER: 284589

**GRAEae**  
THEATRE COMPANY

WEDNESDAY



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

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

**Report of the Trustees for the year ended 31 March 2022**

The Trustees present their report and the financial statements for the year ended 31 March 2022.

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 22-24 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).

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 |
| <u>Directors and Trustees</u> |                                                     |

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:

|                      |                                                                  |
|----------------------|------------------------------------------------------------------|
| Samantha Tatlow      | Re-appointed 6 December 2021 Appointed as Chair 11 October 2021  |
| Sharon Marshall      | Re-appointed 18 January 2021                                     |
| Jessi Parrott        | Re-appointed 6 December 2021                                     |
| Lisa Oguntoyinbo     | Appointed 4 May 2021                                             |
| Nathan Crossan-Smith | Appointed 6 December 2021                                        |
| Anthony Lee          | Appointed 6 December 2021                                        |
| Andrea Walter        | Appointed 7 March 2022                                           |
| Deborah Rees         | Appointed 5 September 2022                                       |
| Sarah Howard         | Re-appointed as Chair 18 January 2021 Resigned 24 September 2021 |
| Tim Powell           | Re-appointed 2 December 2019 Resigned 2 March 2022               |
| Shreela Ghosh        | Appointed 2 March 2020 Resigned 23 October 2021                  |
| Caroline Loving      | Appointed 4 May 2021 Resigned 14 September 2022                  |

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

|                                                                                    |                                                                 |
|------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| <u>Secretary</u>                                                                   | Charles Mills                                                   |
| <u>Chief Executive Officer and Artistic Director</u> (to 25 November 2021)         | Jenny Sealey, MBE                                               |
| <u>Joint Chief Executive Officer and Artistic Director</u> (from 26 November 2021) | Jenny Sealey, MBE                                               |
| <u>Joint Chief Executive Officer</u> (from 26 November 2021)                       | Kevin Walsh                                                     |
| <u>Auditor</u>                                                                     | Buzzacott LLP, 130 Wood Street, London EC2V 6DL                 |
| <u>Bankers</u>                                                                     | 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 2022**

**Covid-19**

On 17 March 2020 Graeae suspended workshops, postponed productions, and closed Bradbury Studios to visitors and to most staff. The building remained closed for the entirety of 2020-21 except for essential administration, maintenance and repairs. In 2021-22, the building began to reopen; at first for staff and licensees and for small hires later. As infections spiked the building closed and reopened resulting in six months loss of income from hires and a hesitancy to make long-term plans

The company adapted to the change in circumstances in three ways:

It has created a flexible working environment to allow staff members to adapt their hours to their circumstances, to work collaboratively on projects and retrain in areas of greatest need, and invested in technology to enable staff to work effectively from home.

It has created a dynamic, innovative programme of work to be shared through digital mediums including new writing, continuing professional development programmes and wellbeing sessions.

It has supported stakeholders through small grants for technical equipment, access support, and by supporting projects to get the resources they need to thrive.

The Coronavirus Job Retention Scheme supported the retention of staff during building closure, particularly the cleaner who was paid through the scheme until it concluded on 30 September 2021.

Covid-19 will remain an issue for Graeae because many of the individuals with whom it works have underlying health conditions.

During this challenging period the Board wishes to acknowledge that it was supported by:

- Cultural Recovery Fund through Arts Council England
- The Mayor of London's Culture at Risk Business Support Fund and the Creative Land Trust
- The Esmée Fairbairn Foundation
- City Bridge Trust
- Arts Council England
- Paul Hamlyn Foundation
- The Coronavirus Job Retention Scheme
- Garfield Weston Foundation
- National Lottery Community Fund

**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 eight 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, disabled and neurodivergent.

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.

**The Graeae Theatre Company Limited**  
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**Report of the Trustees for the year ended 31 March 2022**

**Structure, governance and management (continued)**

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. During periods of national lockdown, meetings have been held via Zoom conferencing software and meetings have been shorter and every two months to aid accessibility.

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 newer Charity Governance Code, published on 13 July 2017, has been adopted by the Board. The Board has not yet formally adopted the update to the Code, which was published on 7 December 2020.

The Joint Chief Executive Officers are appointed by the Board to manage the day to day operations of the charity.

To facilitate effective operations, the Joint CEOs delegate 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 for the period covered by this report are:

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

Kevin Walsh was formerly the Executive Director but was appointed as Joint CEO on 26 November 2021. This change is to support the strategic development and succession planning of the charity.

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.

**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 accessible 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.

**The Graeae Theatre Company Limited**  
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**Report of the Trustees for the year ended 31 March 2022**

**Objectives and activities**

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

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

Graeae's mission is to ignite artistic curiosity, pioneer a radical dramatic language, and champion accessibility. We do this by providing a diversity of platforms for new generations of artists, locally, nationally and internationally, through the creation of trail-blazing theatre.

Graeae is a disabled-led human rights company, founded on the need to tackle social injustice, discrimination and exclusion. It is fuelled by the pursuit of inclusion and artistic excellence and champions Deaf, disabled and neurodivergent people in the arts.

The company's strategic aims are to:

- **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, disabled and neurodivergent artists.
- **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.
- **Champion accessibility:** through partnerships with national and international organisations creating, supporting and advising on accessible environments and practice.
- **Nurture talent:** work with national partners to open up the arts for Deaf, disabled and neurodivergent artists at all experience levels. Create new environments for theatre-makers to thrive and build independence.
- **Promote excellent governance** and leadership across the company, the theatre sector and other businesses. Open up routes to leadership roles for those that have been denied them.
- **Explore new creative horizons:** by scrutinising our practice and by representing a greater diversity of voices on stage.

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

Our programme of work seeks to address this through our productions which showcase the skills of Deaf, disabled and neurodivergent performers. Our productions, through the creative use of sign language, audio description, captioning and relaxed environments also open up theatre to Deaf, disabled and neurodiverse audiences, ensuring that all members of the public benefit from access to the arts. Where possible, we ensure that ticket prices for disabled audience members are subsidised and we only tour shows to venues across the UK which have a high standard of access for disabled people.

Our professional development training programmes provide accessible and inclusive opportunities for learning. They are delivered for aspiring actors, directors and writers to learn the skills they need to work as professionals. Our training programmes are significantly subsidised, in recognition of the economic barriers often faced by Deaf, disabled and neurodivergent artists, and are open to those artists throughout the UK.

Our outreach programme fuels the next generation of theatre-makers and audiences. Our professionally trained 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 Graeae Theatre Company Limited**  
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**Report of the Trustees for the year ended 31 March 2022**

**Objectives and activities (continued)**

The company continues to advocate equality for all Deaf, disabled and neurodivergent artists and their right to participate in all aspects of society. Despite the impact of the Equality 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: by using Bradbury Studios as a model of best practice in inclusive design; through authentic representation of disability in theatre; through our training and outreach programmes and through our advocacy work with other 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:

- **10 Nights:** Our first production since the pandemic, performed live at the Bush Theatre and online via digital ticketing.
- **The Tempest:** A collaboration across continents as part of the Tokyo Cultural Olympiad.
- **Kerbs:** A national tour of a new play by a Write to Play graduate, and digital release.
- **Associate Artists and trainees:** Welcoming new people to the team who will help shape the vision of Graeae for the future.
- **Beyond:** a major artist support programme, connecting artists with venues nationwide.
- **Beyond Online:** Launch of a new digital library of resources designed to support artists throughout their careers.
- **Live and Live-to-digital Performance:** In addition to a digital release for our staged plays Graeae also offered new short plays by Graeae Write to Play alumni performed live online under the banners Crips With Chips and Crips Without Constraints.

**Achievements and performance**

**Productions and artistic activities**

In April 2021, the country was coming out of a third lockdown. Plans had been made for a phased reopening of Bradbury Studios and for a return to theatres with *10 Nights* in Spring 2021. The goalposts were constantly shifting, making it hard to make firm plans without having a fixed end date in sight. As such, we created a dynamic hybrid plan of theatre-based and digital delivery – adaptable to the reopening schedules for theatres and the further spread of the pandemic locally and nationally.

Incredibly, every project was delivered in full, though it was not always clear that this would be possible until minutes before the curtain rose. The success of the year was greatly due to the flexibility, dedication and commitment of the team.

**10 Nights**

Shahid Iqbal Khan's play about the last 10 nights of Ramadan was performed at Bush Theatre from 14 October 2021 to 13 November 2021. This was Graeae's first live performance in front of a UK audience since the start of the pandemic and the opening was delayed by a week due to related casting complications. However, it was extremely well received by audiences (reaching over 1,500 live and 212 people through a ticketed digital streaming) and brought new people to Graeae's work.

**The Tempest**

From her home in Kent, Jenny Sealey directed a Deaf cast of Japanese and Bangladeshi performers in Tokyo as part of the Cultural Olympiad. This new adaptation of *The Tempest* also featured other performers from the UK appearing on screen. Years in the making, and delivered via zoom due to the pandemic, this important piece brought together different nations' experience of natural disaster, while creating a beautiful performance for a live audience.

**The Graeae Theatre Company Limited**  
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**Report of the Trustees for the year ended 31 March 2022**

**Achievements and performance (continued)**

**Productions and artistic activities (continued)**

**Kerbs**

In February-April 2022, Graeae embarked on an England-wide tour of *Kerbs* by Write to Play graduate Michael Southan. This funny, sweet and quietly subversive show about the pursuit of love and sex was co-produced by the Belgrade Coventry, toured five venues and reached live audiences of 1,100. A ticketed digital release followed.

**Training, education and learning**

Since the start of the pandemic, we have continued to develop our programme for children, young people and their families/carers and school communities, forming new approaches. We have been determined to embrace changes as opportunities and kept our community of young people close.

The pandemic significantly affected the ability to deliver face to face work in this area but digital residencies and workshop programmes were delivered in schools, the Young Company and youth networks were developed and expanded, and the ensemble alumni were supported through mentoring and workshops.

The Young Artistic Advisors have formed Graeae's Young Company, which has been delivered online as thematic 'chapters' (The Postcard Season, Love & Justice and Celebration) in the making of a new digital film. Alongside this we have been engaging more with the wider family network through home-delivered creative kits and care packages.

The Ensemble programme has been the most affected by the pandemic (meaning all in person training was cancelled). However, we have supported artists across our alumni and a new intake of artists through our Beyond Develop workshops, mentoring, freelance contracts and connecting them with wider resources.

Work with drama schools over this period has been challenging and we have led the way with making the radical changes needed to respond authentically to our next generation.

Advocacy over this time has been more important than ever. The Young Artistic Advisors and Ensemble alumni have continued to advise the industry and education sector through public facing networks, workshops and panel events. A Young Company member was made Young Associate in an initial paid 12-month role. We are engaging with Young Artistic Advisors and their parents to inform Covid-safe policy and a new network for parents promoting their voice through creativity, care and positive advocacy.

**Associate Artists and Trainees**

We welcomed four training positions to the team in November 2021: three associate artists (Sonny Nwachukwu, Kate Lovell, Britny Virginia) and a trainee producer (Robyn Bowyer). They immediately got to work on a new digital showcase for disabled writers and presented *Crips With Chips Live* in December 2021.

**Beyond**

The sector support programme, which connected disabled artists with venues nationwide, started in April 2020, reached 48 artists from early to mid-stage career with CPD, mentoring and networking. As theatres started to reopen, artists were finally able to build relationships with them, leading to collaborations happening in 2022-23 and in future years.

**Beyond Online**

A permanent digital library of case studies, downloadable resources, podcasts and more. New material includes interviews with Sonny Nwachukwu and Chisato Minimamura and resources on "Using the Law to Challenge Discrimination" and "Starting a performing arts company".

**The Graeae Theatre Company Limited**  
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**Report of the Trustees for the year ended 31 March 2022**

**Achievements and performance (continued)**

Training, education and learning (continued)

**Live and Live-to-digital Performance**

A new digital strategy has been drawn up that allows shielding audiences to experience vibrant new accessible theatre (and exclusive content) from their homes. In 2021-22 this was applied to both *10 Nights* and *Kerbs* and will be a part of all shows in the foreseeable future.

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 main individual funder remains Arts Council England through the National Portfolio. The other funders which provided grants during the year are listed in note 21 to the financial statements.

In April 2019, the Board approved a new three-year strategic plan which enabled the organisation to grow while maintaining a sound financial underpinning. A number of multi-year grants were secured in pursuit of this plan, the largest of which was a grant from ACE's Transforming Leadership fund to support activity between 2019-2022. The strategy included approaching multiple funders for multiple projects and including a contribution to overheads in each application. The success of the plan has allowed Graeae to continue to operate from within its home at Bradbury Studios while launching major initiatives such as accredited training programmes, digital resource libraries and a sector support package. Covid-19 has affected many of the planned projects and Graeae has therefore had to adapt or revise planned activity and the timescales for delivery. Partners and funders have been consulted throughout about the changes.

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

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. The charity has received no complaints about its fundraising activities.

**The Graeae Theatre Company Limited**  
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**Report of the Trustees for the year ended 31 March 2022**

**Plans for future periods**

Productions and other artistic activities

*The Paradis Files*, a new opera, will tour April-May 2022, followed by a BBC Radio 3 release and ticketed digital release.

*Self-Raising*, an autobiographical piece exploring Jenny Sealey's childhood and aimed at families, set to tour in 2023.

*High Times and Dirty Monsters*, a co-production with 20 Stories High and Liverpool Everyman, touring late 2023.

Training, education and learning

Our investment in training and developing Deaf, disabled and neurodivergent artists continues with:

- Write to Play – The Esmée Fairbairn Foundation has awarded grants which will allow this programme to continue at least to December 2022.
- Youth Programme – a multi strand programme to develop the next generation of Deaf, disabled and neurodivergent creative artists.

Wider strategy for the future

Graeae's strategy for 2022-26 firmly establishes its reputation as the national theatre for disabled people. Through partnerships in the North West and East of England, the company will build a lasting presence for disabled people in the regions, opening up the arts for many people that have been denied the opportunity before. The strategy sees Graeae investing in training opportunities, collaborative productions and acknowledging its responsibilities to share skills, resources and connections with the wider disability arts sector.

The funding strategy builds on the relative success of 2019-22, in which reserves remained within Board-agreed limits, while delivery increased and the organisation focused better on the needs of the community. However, core costs remain a challenge. In 2011-12 core funding from Arts Council England was £551,147. In 2021-22 it was £574,784. That is a 4% increase after ten years. In that same ten year period Graeae's headline annual rent has increased by 107% from £98,763 to £205,000. The next rent review will apply from July 2023.

Graeae applied to Arts Council England for continued funding as a National Portfolio Organisation for 2023-2026 which was confirmed on 4 November 2022.

**The Graeae Theatre Company Limited**  
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**Report of the Trustees for the year ended 31 March 2022**

**Financial review**

Income

Total income for the year amounted to £1,479,921 (2021: £1,620,132) of which £1,119,290 (2021: £1,393,218) 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. Some funding was provided specifically to support Graeae and its wider community during Covid-19 restrictions. A list of those funders is on page 3.

The charity's principal funding source during the year was Arts Council England which provided core revenue funding of £574,784 (2021: £574,784).

The charity received funds of £68,513 (2021: £71,312) 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. Since April 2018 the government has placed an annual cap on the specific support provided by Access to Work for the artistic director. This cap does not always cover the actual requirements of the job which varies depending on activity. The cost of support in 2021-22 exceeded the annual cap by £30,105 (2021: £24,994).

Income from charitable activities includes box office, venue fee and royalties of £74,358 (2021: £30,000), Theatre Tax Relief of £104,114 (2021: £30,434) and fees from training and workshops of £79,026 (2021: £25,087). The charity also received income of £26,353 (2021: £17,138) from trading activities (including the hire of office and rehearsal space, hire of technical equipment and sales of books). Trading income in both 2020-21 and 2021-22 has been significantly reduced compared to 2019-20 because of coronavirus.

Expenditure

Total expenditure has increased from £1,099,423 for the year ended 31 March 2021 to £1,572,975 in 2021-22.

Expenditure in 2021-22 included:

- *10 Nights* direct costs of £128,595 (excludes support costs)
- *Beyond, Beyond Develop, Beyond Digital* direct costs of £172,008 (excludes support costs).
- *Kerbs* direct costs of £141,230 (excludes support costs)
- *New Writing* direct costs of £57,974 (excludes support costs).

Expenditure in 2020-21 included:

- *Beyond and Beyond Develop*, direct costs of £116,083 (excludes support costs).
- *New Writing* direct costs of £86,513 (excludes support costs).
- *Ensemble* direct costs of £26,088 (excludes support costs).

Deferred production costs

At 31 March 2022 deferred production costs were £168,683 primarily relating to *The Paradis Files* (2021: £94,822 primarily relating to *The Paradis Files* and *10 Nights*).

**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.

**The Graeae Theatre Company Limited**  
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**Report of the Trustees for the year ended 31 March 2022**

**Risk management (continued)**

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.

*Health and safety and environmental issues* The Joint CEOs monitor 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. In particular, this involves developing appropriate responses to Covid-19.

*Failure of an income source* The charity does not commit to major projects until funds are confirmed and / or sufficient reserves are earmarked. The Board considers that the charity remains a going concern for at least the next twelve months on the assumption that Arts Council England continues to support Graeae in 2023-24 as a National Portfolio Organisation at at least the same level as in 2022-23.

**Reserves policy**

At 31 March 2022 restricted funds amounted to £1,705,067 (2021: £1,984,842) and unrestricted funds were £1,203,276 (2021: £1,016,555).

*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 (2021: £40,000); Training, education and learning fund £20,000 (2021: £20,000).

During 2021-22 the Esmée Fairbairn Foundation continued to support for Graeae's new writing programme. Recognising the challenges of Covid-19 restrictions, Esmée Fairbairn Foundation has generously made this support unrestricted. The Board intends that, as far as possible, Graeae should use these funds as originally intended through a designated fund of £140,716 (2021: £108,877).

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 £16,000 (2021: £32,000). The charity is reducing this designated fund to zero over the next year.

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 £15,096 (2021: £15,096); Strategic development fund £25,200 (2021: £30,000).

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 £23,436 (2021: £16,478). The relevant depreciation is offset against the fund each year.

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**Report of the Trustees for the year ended 31 March 2022**

**Reserves policy (continued)**

*Designated funds (continued)*

- 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 £100,000 (2021: £100,000).

- 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 (2021: £25,000).

Further details about the designated funds can be found in note 15 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 2022 amounted to £797,828 (2021: £629,404). The average monthly operating cost during the year (which excludes the direct costs of productions and training) was £63,542 (2021: £50,209). The balance of undesignated general funds at 31 March 2022 based on past costs represents 12.6 months of operating costs (2021: 12.5 months). In the current economic climate the Board is comfortable with holding this level of general funds.

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

**Report of the Trustees for the year ended 31 March 2022**

**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.

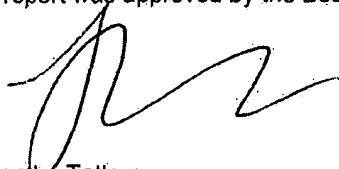
Each of the Trustees confirms that:

- 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 9 December 2022 and signed on its behalf by:



Samantha Tatlow  
Chair

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

**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 2022 which comprise the statement of financial activities, the balance sheet and the statement of cash flows, and the notes to the financial statements including the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ♦ give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company and charitable 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 trustees with respect to going concern are described in the relevant sections of this report.

**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 and financial statements, 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 by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the charitable company 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 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.

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:

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested and reviewed journal entries to identify unusual transactions;
- Tested authorisation of expenditure;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included but were not limited to:

- Ensuring that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- Identifying the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- Ensuring that the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- Focussing on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to relevant financial reporting standards, the Charities Act 2011 and the Companies Act 2006;
- Agreeing financial statements disclosures to underlying supporting documentation;
- Reading the minutes of trustee meetings; and
- Enquiring of as to actual and potential litigation and claims.

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

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

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://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

Date: 20 December 2022

**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 2022**

|                                    | Notes | Restricted Funds | Unrestricted Funds General | Designated     | Total Funds 2022 |
|------------------------------------|-------|------------------|----------------------------|----------------|------------------|
|                                    |       | £                | £                          | £              | £                |
| <b>Income from:</b>                |       |                  |                            |                |                  |
| Donations                          | 2     | 385,512          | 730,778                    | -              | 1,116,290        |
| Charitable activities              | 3     | 71,513           | 257,498                    | -              | 329,011          |
| Other trading activities           | 4     | -                | 26,353                     | -              | 26,353           |
| Investments                        | 5     | -                | 233                        | -              | 233              |
| Other income                       | 6     | -                | 8,034                      | -              | 8,034            |
| <b>Total</b>                       |       | <u>457,025</u>   | <u>1,022,896</u>           | <u>-</u>       | <u>1,479,921</u> |
| <b>Expenditure on:</b>             |       |                  |                            |                |                  |
| Raising funds                      | 7     | 27,447           | 140,436                    | -              | 167,883          |
| Charitable activities              | 8     | 625,912          | 779,180                    | -              | 1,405,092        |
| <b>Total</b>                       |       | <u>653,359</u>   | <u>919,616</u>             | <u>-</u>       | <u>1,572,975</u> |
| <b>Net (expenditure) income</b>    | 11    | (196,334)        | 103,280                    | -              | (93,054)         |
| <b>Transfers between funds</b>     | 15    | (83,441)         | 65,444                     | 17,997         | -                |
| <b>Net movement in funds</b>       |       | <u>(279,775)</u> | <u>168,724</u>             | <u>17,997</u>  | <u>(93,054)</u>  |
| <b>Reconciliation of funds:</b>    |       |                  |                            |                |                  |
| Total funds brought forward        | 15    | <u>1,984,842</u> | <u>629,104</u>             | <u>387,451</u> | <u>3,001,397</u> |
| <b>Total funds carried forward</b> | 15    | <u>1,705,067</u> | <u>797,828</u>             | <u>405,448</u> | <u>2,908,343</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 2021**

|                                 | Notes | Restricted Funds | Unrestricted Funds<br>General | Designated     | Total Funds<br>2021 |
|---------------------------------|-------|------------------|-------------------------------|----------------|---------------------|
|                                 |       | £                | £                             | £              | £                   |
| <b>Income from:</b>             |       |                  |                               |                |                     |
| Donations                       | 2     | 473,917          | 762,022                       | -              | 1,235,939           |
| Charitable activities           | 3     | 217,584          | 96,528                        | -              | 314,112             |
| Other trading activities        | 4     | -                | 17,138                        | -              | 17,138              |
| Investments                     | 5     | -                | 477                           | -              | 477                 |
| Other income                    | 6     | -                | 52,466                        | -              | 52,466              |
| <b>Total</b>                    |       | <u>691,501</u>   | <u>928,631</u>                | <u>-</u>       | <u>1,620,132</u>    |
| <b>Expenditure on:</b>          |       |                  |                               |                |                     |
| Raising funds                   | 7     | 12,602           | 163,649                       | -              | 176,251             |
| Charitable activities           | 8     | 329,841          | 593,331                       | -              | 923,172             |
| <b>Total</b>                    |       | <u>342,443</u>   | <u>756,980</u>                | <u>-</u>       | <u>1,099,423</u>    |
| <b>Net income</b>               | 11    | 349,058          | 171,651                       | -              | 520,709             |
| <b>Transfers between funds</b>  | 15    | (122,892)        | (28,081)                      | 150,973        | -                   |
| <b>Net movement in funds</b>    |       | <u>226,166</u>   | <u>143,570</u>                | <u>150,973</u> | <u>520,709</u>      |
| <b>Reconciliation of funds:</b> |       |                  |                               |                |                     |
| Total funds brought forward     | 15    | <u>1,758,676</u> | <u>485,534</u>                | <u>236,478</u> | <u>2,480,688</u>    |
| Total funds carried forward     | 15    | <u>1,984,842</u> | <u>629,104</u>                | <u>387,451</u> | <u>3,001,397</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 2022**

|                                                | Notes     | 2022             | 2021             |
|------------------------------------------------|-----------|------------------|------------------|
|                                                |           | £                | £                |
| <b>Fixed assets:</b>                           |           |                  |                  |
| Tangible assets                                |           | 1,424,930        | 1,500,642        |
| Heritage assets                                |           | 1,300            | 1,300            |
|                                                |           | <hr/>            | <hr/>            |
| <i>Total fixed assets</i>                      | <b>12</b> | <b>1,426,230</b> | <b>1,501,942</b> |
|                                                |           | <hr/>            | <hr/>            |
| <b>Current assets:</b>                         |           |                  |                  |
| Debtors                                        | <b>13</b> | 424,839          | 195,589          |
| Cash at bank and in hand                       |           | 1,259,965        | 1,446,951        |
|                                                |           | <hr/>            | <hr/>            |
| <i>Total current assets</i>                    |           | <b>1,684,804</b> | <b>1,642,540</b> |
|                                                |           | <hr/>            | <hr/>            |
| <b>Liabilities:</b>                            |           |                  |                  |
| Creditors: amounts falling due within one year | <b>14</b> | 202,691          | 143,085          |
|                                                |           | <hr/>            | <hr/>            |
| <i>Net current assets</i>                      |           | <b>1,482,113</b> | <b>1,499,455</b> |
|                                                |           | <hr/>            | <hr/>            |
| <i>Total net assets</i>                        |           | <b>2,908,343</b> | <b>3,001,397</b> |
|                                                |           | <hr/>            | <hr/>            |
| <b>The funds of the charity:</b>               |           |                  |                  |
| Restricted Funds                               | <b>15</b> | 1,705,067        | 1,984,842        |
| Unrestricted Funds                             |           |                  |                  |
| Designated                                     | <b>15</b> | 405,448          | 387,451          |
| General                                        | <b>15</b> | 797,828          | 629,104          |
|                                                |           | <hr/>            | <hr/>            |
| <i>Total charity funds</i>                     |           | <b>2,908,343</b> | <b>3,001,397</b> |
|                                                |           | <hr/>            | <hr/>            |

Approved by the Board on 9 December 2022 and signed on its behalf by



Samantha Tatlow  
Chair

Company no. 01619794

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

**Statement of Cash Flows**  
**For the Year Ended 31 March 2022**

|                                                                                      | Notes | 2022             | 2021             |
|--------------------------------------------------------------------------------------|-------|------------------|------------------|
|                                                                                      |       | £                | £                |
| <b>Cash flows from operating activities:</b>                                         |       |                  |                  |
| <b>Net cash (used in) generated by operating activities</b>                          | A     | <u>(184,748)</u> | <u>557,506</u>   |
| <b>Cash flows from investing activities</b>                                          |       |                  |                  |
| Interest received                                                                    |       | 233              | 477              |
| Sale of fixed assets                                                                 |       | 12,083           | -                |
| Purchase of tangible fixed assets                                                    |       | <u>(14,554)</u>  | <u>(7,553)</u>   |
| <b>Net cash used in investing activities</b>                                         |       | <u>(2,238)</u>   | <u>(7,076)</u>   |
| <b>Change in cash and cash equivalents in the year</b>                               |       | (186,986)        | 550,430          |
| <b>Cash and cash equivalents at 1 April 2021</b>                                     |       | <u>1,446,951</u> | <u>896,521</u>   |
| <b>Cash and cash equivalents at 31 March 2022</b>                                    |       | <u>1,259,965</u> | <u>1,446,951</u> |
| <br><b>A Reconciliation of net income to net cash flow from operating activities</b> |       |                  |                  |
| <b>Net (expenditure) income for the reporting period</b>                             |       | (93,054)         | 520,709          |
| <b>Adjustments for:</b>                                                              |       |                  |                  |
| Depreciation charges                                                                 |       | 90,266           | 88,296           |
| Sale of fixed assets                                                                 |       | (12,083)         | -                |
| Interest received                                                                    |       | (233)            | (477)            |
| Increase in debtors                                                                  |       | (229,250)        | (70,645)         |
| Increase in creditors                                                                |       | <u>59,606</u>    | <u>19,623</u>    |
| <b>Net cash (used in) generated by operating activities</b>                          |       | <u>(184,748)</u> | <u>557,506</u>   |

No separate reconciliation of net debt has been prepared as there is no difference between the net cash/(debt) of the charity and the above cash and cash equivalents.

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

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022**

**1 ACCOUNTING POLICIES**

**(a) Basis of preparation**

These financial statements have been prepared for the year to 31 March 2022 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), 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.
- assessing the appropriateness of deferring production costs under policy (f) (3) on page 23.

**(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) Theatre Tax Relief claimable by the charity is recognised as income in the year in which the eligible expenditure is incurred.

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

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

(6) 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 2022 (continued)**

**1 ACCOUNTING POLICIES (continued)**

**(e) Expenditure**

- (1) Expenditure is accounted for on an accruals basis.
- (2) Expenditure on raising funds comprises 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, training and outreach programmes, and grants made to organisations and individuals. 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. Other debtors include an estimate of Theatre Tax Relief claimable by the charity.

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022 (continued)**

**1 ACCOUNTING POLICIES (continued)**

**(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.

**(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.

**(q) Taxation**

The company is a registered charity and is therefore not liable for corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

**(r) Grant making**

Grants to organisations and individuals are accounted for when the payment is made.

Notes to the Financial Statements  
For the Year Ended 31 March 2022 (continued)

2 INCOME FROM DONATIONS AND GRANTS

|                                     | Restricted<br>£ | Unrestricted<br>£ | 2022<br>Total<br>£ | Restricted<br>£ | Unrestricted<br>£ | 2021<br>Total<br>£ |
|-------------------------------------|-----------------|-------------------|--------------------|-----------------|-------------------|--------------------|
| Arts Council England (ACE)          | -               | 574,784           | 574,784            | -               | 574,784           | 574,784            |
| Other grants received (see note 21) | 385,512         | 140,400           | 525,912            | 473,917         | 150,000           | 623,917            |
| Donations                           | -               | 15,594            | 15,594             | -               | 37,238            | 37,238             |
| <b>Total voluntary income</b>       | <b>385,512</b>  | <b>730,778</b>    | <b>1,116,290</b>   | <b>473,917</b>  | <b>762,022</b>    | <b>1,235,939</b>   |

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).

3 INCOME FROM CHARITABLE ACTIVITIES

|                                                  | Restricted<br>£ | Unrestricted<br>£ | 2022<br>Total<br>£ | Restricted<br>£ | Unrestricted<br>£ | 2021<br>Total<br>£ |
|--------------------------------------------------|-----------------|-------------------|--------------------|-----------------|-------------------|--------------------|
| Box office, venue fees and royalties             | -               | 74,358            | 74,358             | -               | 30,000            | 30,000             |
| Fees from training, workshops and other artistic | -               | 79,026            | 79,026             | -               | 25,087            | 25,087             |
| Other grants received (see note 21)              | 3,000           | -                 | 3,000              | 146,272         | 11,007            | 157,279            |
| Theatre Tax Relief (TTR)                         | -               | 104,114           | 104,114            | -               | 30,434            | 30,434             |
| Access to Work                                   | 68,513          | -                 | 68,513             | 71,312          | -                 | 71,312             |
| <b>Total income from charitable activities</b>   | <b>71,513</b>   | <b>257,498</b>    | <b>329,011</b>     | <b>217,584</b>  | <b>96,528</b>     | <b>314,112</b>     |

Up to 31 March 2021 the charity recognised TTR only when received. From 1 April 2021 the charity is accounting for TTR on an accruals basis. This change has increased the TTR amount reported for 2021-22 by £57,000.

4 INCOME FROM OTHER TRADING ACTIVITIES

|                                                   | Restricted<br>£ | Unrestricted<br>£ | 2022<br>Total<br>£ | Restricted<br>£ | Unrestricted<br>£ | 2021<br>Total<br>£ |
|---------------------------------------------------|-----------------|-------------------|--------------------|-----------------|-------------------|--------------------|
| Income from hire of space and equipment           | -               | 25,678            | 25,678             | -               | 16,850            | 16,850             |
| Sales of merchandise and other income             | -               | 675               | 675                | -               | 288               | 288                |
| <b>Total income from other trading activities</b> | <b>-</b>        | <b>26,353</b>     | <b>26,353</b>      | <b>-</b>        | <b>17,138</b>     | <b>17,138</b>      |

5 INCOME FROM INVESTMENTS

|                              | Restricted<br>£ | Unrestricted<br>£ | 2022<br>Total<br>£ | Restricted<br>£ | Unrestricted<br>£ | 2021<br>Total<br>£ |
|------------------------------|-----------------|-------------------|--------------------|-----------------|-------------------|--------------------|
| Interest on deposit accounts | -               | 233               | 233                | -               | 477               | 477                |

6 OTHER INCOME

|                                  | Restricted<br>£ | Unrestricted<br>£ | 2022<br>Total<br>£ | Restricted<br>£ | Unrestricted<br>£ | 2021<br>Total<br>£ |
|----------------------------------|-----------------|-------------------|--------------------|-----------------|-------------------|--------------------|
| Coronavirus Job Retention Scheme | -               | 8,034             | 8,034              | -               | 52,466            | 52,466             |

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022 (continued)**

**7 EXPENDITURE ON RAISING FUNDS**

|                                             | Restricted<br>£ | Unrestricted<br>£ | 2022<br>Total<br>£ | Restricted<br>£ | Unrestricted<br>£ | 2021<br>Total<br>£ |
|---------------------------------------------|-----------------|-------------------|--------------------|-----------------|-------------------|--------------------|
| Expenditure on raising grants and donations | -               | 65,223            | 65,223             | -               | 45,638            | 45,638             |
| Expenditure on other trading activities     | -               | 14,125            | 14,125             | -               | 19,019            | 19,019             |
| Support costs for raising funds             | 27,447          | 61,088            | 88,535             | 12,602          | 98,992            | 111,594            |
| <b>Total expenditure on raising funds</b>   | <b>27,447</b>   | <b>140,436</b>    | <b>167,883</b>     | <b>12,602</b>   | <b>163,649</b>    | <b>176,251</b>     |

**8 EXPENDITURE ON CHARITABLE ACTIVITIES**

|                                                   | Restricted<br>£ | Unrestricted<br>£ | 2022<br>Total<br>£ | Restricted<br>£ | Unrestricted<br>£ | 2021<br>Total<br>£ |
|---------------------------------------------------|-----------------|-------------------|--------------------|-----------------|-------------------|--------------------|
| Productions and other artistic                    | 133,654         | 193,561           | 327,215            | 62,906          | 16,587            | 79,493             |
| Support costs for productions and other artistic  | 109,787         | 255,313           | 365,100            | 15,752          | 123,739           | 139,491            |
| Training, education and learning (TEL)            | 270,190         | 66,697            | 336,887            | 200,775         | 57,041            | 257,816            |
| Support costs for TEL                             | 112,281         | 263,609           | 375,890            | 50,408          | 395,964           | 446,372            |
| <b>Total expenditure on charitable activities</b> | <b>625,912</b>  | <b>779,180</b>    | <b>1,405,092</b>   | <b>329,841</b>  | <b>593,331</b>    | <b>923,172</b>     |

In 2020-21 the company was awarded grants by Arts Council England and by Paul Hamlyn Foundation to be used for supporting Deaf, disabled and neuro-divergent artists during the Covid-19 restrictions. Part of this money was distributed as:

- Grants to individuals towards the purchase of IT and audio equipment.
  - Grants to organisations to provide access support including BSL interpreters, palantypists and note takers.
- The value of these grants included in total expenditure on charitable activities is £nil (2021: £45,715).

In 2021-22 the company distributed funds from the Arts Council England Transforming Leadership funding as microbursaries to 23 artists supported under the Beyond programme. These grants provided the artists with experience of making an application for funds and administering a small grant to develop their creative ideas. The value of these grants included in total expenditure on charitable activities is £23,500 (2021: £nil).

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

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022 (continued)**

**9 ANALYSIS OF SUPPORT COSTS**

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

|                                         | Raising funds  | Productions and other artistic | Training education and learning | 2022 Total     |
|-----------------------------------------|----------------|--------------------------------|---------------------------------|----------------|
| Allocation for year ended 31 March 2022 | 11%            | 44%                            | 45%                             | 100%           |
|                                         | £              | £                              | £                               | £              |
| Staff                                   | 36,805         | 151,778                        | 156,264                         | 344,847        |
| Premises                                | 34,498         | 142,261                        | 146,465                         | 323,224        |
| Administration                          | 17,232         | 71,061                         | 73,161                          | 161,454        |
|                                         | <hr/>          | <hr/>                          | <hr/>                           | <hr/>          |
|                                         | <b>88,535</b>  | <b>365,100</b>                 | <b>375,890</b>                  | <b>829,525</b> |
|                                         | <hr/>          | <hr/>                          | <hr/>                           | <hr/>          |
| Allocation for year ended 31 March 2021 | 16%            | 20%                            | 64%                             | 100%           |
|                                         | £              | £                              | £                               | £              |
| Staff                                   | 48,032         | 60,040                         | 192,127                         | 300,199        |
| Premises                                | 43,620         | 54,524                         | 174,478                         | 272,622        |
| Administration                          | 19,942         | 24,927                         | 79,767                          | 124,636        |
|                                         | <hr/>          | <hr/>                          | <hr/>                           | <hr/>          |
|                                         | <b>111,594</b> | <b>139,491</b>                 | <b>446,372</b>                  | <b>697,457</b> |
|                                         | <hr/>          | <hr/>                          | <hr/>                           | <hr/>          |

**10 ANALYSIS OF STAFF COSTS**

| <u>Employees</u>      | 2022<br>£ | 2021<br>£ |
|-----------------------|-----------|-----------|
| Salaries and wages    | 514,183   | 430,248   |
| Social security costs | 37,948    | 36,890    |
| Pension costs         | 31,906    | 29,491    |
|                       | <hr/>     | <hr/>     |
| Total employee costs  | 584,037   | 496,629   |
|                       | <hr/>     | <hr/>     |

The company operates a defined contribution pension scheme. At 31 March 2022, there were 17 employees (2021: 15) 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 18 (2021: 15).

The average number of full-time equivalent employees on the payroll during the year (including casual and part-time staff) was 15 (2021: 13).

**The Graeae Theatre Company Limited**  
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**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022 (continued)**

**10 ANALYSIS OF STAFF COSTS (continued)**

There were no employees during the year with emoluments (excluding pension contributions) above £60,000 (2021: none).

The key management personnel are the trustees, the Joint Chief Executive Officers, 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 | 2022<br>Total  |
|-----------------------------------------------|--------|-------|---------|----------------|
|                                               | £      | £     | £       | £              |
| Jenny Sealey, joint CEO and Artistic Director | 58,763 | 6,888 | 4,113   | 69,764         |
| Kevin Walsh*, joint CEO                       | 51,854 | 5,935 | 3,630   | 61,419         |
| Charles Mills, Finance Director               | 43,967 | 4,847 | 3,078   | 51,892         |
|                                               |        |       |         | <b>183,075</b> |

\*previously Executive Director

|                                         | Salary | NI    | Pension | 2021<br>Total  |
|-----------------------------------------|--------|-------|---------|----------------|
|                                         | £      | £     | £       | £              |
| Jenny Sealey, CEO and Artistic Director | 57,250 | 6,687 | 4,007   | 67,944         |
| Kevin Walsh, Executive Director         | 50,000 | 5,686 | 3,500   | 59,186         |
| Charles Mills, Finance Director         | 46,500 | 5,203 | 3,255   | 54,958         |
|                                         |        |       |         | <b>182,088</b> |

| Pay multiples of full time equivalent earnings for monthly paid staff at the start of the financial year | 2022 | 2021 |
|----------------------------------------------------------------------------------------------------------|------|------|
| Highest to median                                                                                        | 1.9  | 1.8  |
| Highest to lowest                                                                                        | 2.9  | 2.9  |

| 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 | 2022 | 2021 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|------|------|
| Mean                                                                                                                                                    | 12   | 8    |
| Median                                                                                                                                                  | 17   | 10   |

| <u>Non-payroll</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 2022    | 2021    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | £       | £       |
| 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 costs associated with these additional individuals is: | 558,015 | 412,173 |

| 11 NET INCOME BEFORE TRANSFERS                        | 2022   | 2021   |
|-------------------------------------------------------|--------|--------|
|                                                       | £      | £      |
| Net income before transfers is stated after charging: |        |        |
| Depreciation                                          | 90,266 | 88,296 |
| Auditor's remuneration (statutory audit)              | 7,400  | 7,250  |

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

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022 (continued)**

**12 FIXED ASSETS**

|                        | Heritage<br>assets<br>£ | Computer<br>Equipment<br>£ | Production<br>Equipment<br>£ | Motor<br>Vehicles<br>£ | Office<br>Equipment<br>£ | Leasehold<br>Property<br>£ | Total<br>£       |
|------------------------|-------------------------|----------------------------|------------------------------|------------------------|--------------------------|----------------------------|------------------|
| <b>COST</b>            |                         |                            |                              |                        |                          |                            |                  |
| At 1 April 2021        | 1,300                   | 47,607                     | 124,326                      | 38,356                 | 110,567                  | 2,443,033                  | 2,765,189        |
| Additions              | -                       | 13,121                     | -                            | -                      | 1,433                    | -                          | 14,554           |
| Disposals              | -                       | -                          | -                            | (38,356)               | (525)                    | -                          | (38,881)         |
| At 31 March 2022       | <u>1,300</u>            | <u>60,728</u>              | <u>124,326</u>               | <u>-</u>               | <u>111,475</u>           | <u>2,443,033</u>           | <u>2,740,862</u> |
| <b>DEPRECIATION</b>    |                         |                            |                              |                        |                          |                            |                  |
| At 1 April 2021        | -                       | 39,178                     | 123,539                      | 38,356                 | 106,419                  | 955,755                    | 1,263,247        |
| Charge for the year    | -                       | 6,626                      | 787                          | -                      | 1,418                    | 81,435                     | 90,266           |
| Disposals              | -                       | -                          | -                            | (38,356)               | (525)                    | -                          | (38,881)         |
| At 31 March 2022       | <u>-</u>                | <u>45,804</u>              | <u>124,326</u>               | <u>-</u>               | <u>107,312</u>           | <u>1,037,190</u>           | <u>1,314,632</u> |
| <b>NET BOOK VALUES</b> |                         |                            |                              |                        |                          |                            |                  |
| At 31 March 2022       | <u>1,300</u>            | <u>14,924</u>              | <u>-</u>                     | <u>-</u>               | <u>4,163</u>             | <u>1,405,843</u>           | <u>1,426,230</u> |
| At 31 March 2021       | <u>1,300</u>            | <u>8,429</u>               | <u>787</u>                   | <u>-</u>               | <u>4,148</u>             | <u>1,487,278</u>           | <u>1,501,942</u> |

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

**13 DEBTORS**

|                               | 2022<br>£      | 2021<br>£      |
|-------------------------------|----------------|----------------|
| Trade debtors                 | 66,598         | 36,543         |
| Other debtors and prepayments | 189,558        | 64,224         |
| Deferred production costs     | 168,683        | 94,822         |
|                               | <u>424,839</u> | <u>195,589</u> |

**14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                 | 2022<br>£      | 2021<br>£      |
|---------------------------------|----------------|----------------|
| Trade creditors                 | 68,969         | 46,046         |
| Other taxes and social security | 18,716         | 11,078         |
| Deferred income                 | 5,568          | 5,000          |
| Other creditors and accruals    | 109,438        | 80,961         |
|                                 | <u>202,691</u> | <u>143,085</u> |

The company operates a defined contribution scheme for its employees.  
There were contributions due in creditors of £7,303 at 31 March 2022 (2021 £nil).

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

Notes to the Financial Statements  
For the Year Ended 31 March 2022 (continued)

15 MOVEMENTS IN FUNDS

|                                           | At 1 April<br>2021<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>to General<br>£ | Transfers<br>from General<br>£ | At 31 March<br>2022<br>£ |
|-------------------------------------------|-------------------------|------------------|--------------------|------------------------------|--------------------------------|--------------------------|
| <b><u>Restricted funds</u></b>            |                         |                  |                    |                              |                                |                          |
| Leasehold property, including ACE Sustain | 1,481,127               | -                | -                  | (81,133)                     | -                              | 1,399,994                |
| Equipment grants                          | 4,529                   | -                | -                  | (1,537)                      | 2,257                          | 5,249                    |
| Cross project grants                      | 357,593                 | 191,862          | (463,879)          | -                            | -                              | 85,576                   |
| Productions and other artistic activities | 60,441                  | 145,944          | (23,441)           | -                            | 2,500                          | 185,444                  |
| Training, education and learning          | 81,152                  | 50,706           | (97,526)           | (5,528)                      | -                              | 28,804                   |
| Access to Work                            | -                       | 68,513           | (68,513)           | -                            | -                              | -                        |
| <b>Total restricted funds</b>             | <b>1,984,842</b>        | <b>457,025</b>   | <b>(653,359)</b>   | <b>(88,198)</b>              | <b>4,757</b>                   | <b>1,705,067</b>         |
| <b><u>Unrestricted funds</u></b>          |                         |                  |                    |                              |                                |                          |
| <b><u>Designated funds</u></b>            |                         |                  |                    |                              |                                |                          |
| New writing fund                          | 108,877                 | -                | -                  | -                            | 31,839                         | 140,716                  |
| Artistic fund                             | 40,000                  | -                | -                  | (38,518)                     | 38,518                         | 40,000                   |
| Training, education and learning          | 20,000                  | -                | -                  | -                            | -                              | 20,000                   |
| Marketing fund                            | 15,096                  | -                | -                  | -                            | -                              | 15,096                   |
| Strategic development fund                | 30,000                  | -                | -                  | (4,800)                      | -                              | 25,200                   |
| Fixed asset fund                          | 16,478                  | -                | -                  | (7,596)                      | 14,554                         | 23,436                   |
| Access fund                               | 25,000                  | -                | -                  | (9,256)                      | 9,256                          | 25,000                   |
| Sinking fund                              | 100,000                 | -                | -                  | (8,570)                      | 8,570                          | 100,000                  |
| Leasehold property operational fund       | 32,000                  | -                | -                  | (16,000)                     | -                              | 16,000                   |
| <b>Total designated funds</b>             | <b>387,451</b>          | <b>-</b>         | <b>-</b>           | <b>(84,740)</b>              | <b>102,737</b>                 | <b>405,448</b>           |
| <b>General funds</b>                      | <b>629,104</b>          | <b>1,022,896</b> | <b>(919,616)</b>   | <b>172,938</b>               | <b>(107,494)</b>               | <b>797,828</b>           |
| <b>Total unrestricted funds</b>           | <b>1,016,555</b>        | <b>1,022,896</b> | <b>(919,616)</b>   | <b>88,198</b>                | <b>(4,757)</b>                 | <b>1,203,276</b>         |
| <b>Total funds</b>                        | <b>3,001,397</b>        | <b>1,479,921</b> | <b>(1,572,975)</b> | <b>-</b>                     | <b>-</b>                       | <b>2,908,343</b>         |

Summary of transfers between restricted funds and unrestricted funds

|                                                        |               |                |
|--------------------------------------------------------|---------------|----------------|
| Depreciation of assets purchased with restricted funds | 82,670        |                |
| Release of restricted funds for core costs             | 5,528         |                |
| Revenue grant used for purchase of computer equipment  |               | (2,257)        |
| Grant previously treated as spent repaid to funder     |               | (2,500)        |
|                                                        | <b>88,198</b> | <b>(4,757)</b> |

**The Graeae Theatre Company Limited**  
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**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022 (continued)**

**15 MOVEMENTS IN FUNDS (continued)**

|                                           | At 1 April<br>2020<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>to General<br>£ | Transfers<br>from General<br>£ | At 31 March<br>2021<br>£ |
|-------------------------------------------|-------------------------|------------------|--------------------|------------------------------|--------------------------------|--------------------------|
| <b><u>Restricted funds</u></b>            |                         |                  |                    |                              |                                |                          |
| Leasehold property, including ACE Sustain | 1,562,260               | -                | -                  | (81,133)                     | -                              | 1,481,127                |
| Equipment grants                          | 7,156                   | -                | -                  | (2,627)                      | -                              | 4,529                    |
| Cross project grants                      | 100,000                 | 315,557          | (57,964)           | -                            | -                              | 357,593                  |
| Productions and other artistic activities | 20,000                  | 113,000          | (62,906)           | (9,653)                      | -                              | 60,441                   |
| Training, education and learning          | 69,260                  | 191,632          | (150,261)          | (29,479)                     | -                              | 81,152                   |
| Access to Work                            | -                       | 71,312           | (71,312)           | -                            | -                              | -                        |
| <b>Total restricted funds</b>             | <b>1,758,676</b>        | <b>691,501</b>   | <b>(342,443)</b>   | <b>(122,892)</b>             | <b>-</b>                       | <b>1,984,842</b>         |
| <b><u>Unrestricted funds</u></b>          |                         |                  |                    |                              |                                |                          |
| <b><u>Designated funds</u></b>            |                         |                  |                    |                              |                                |                          |
| New writing fund                          | -                       | -                | -                  | -                            | 108,877                        | 108,877                  |
| Artistic fund                             | 40,000                  | -                | -                  | (4,854)                      | 4,854                          | 40,000                   |
| Training, education and learning          | 20,000                  | -                | -                  | (26,088)                     | 26,088                         | 20,000                   |
| Marketing fund                            | 18,000                  | -                | -                  | (2,904)                      | -                              | 15,096                   |
| Strategic development fund                | 12,992                  | -                | -                  | (600)                        | 17,608                         | 30,000                   |
| Fixed asset fund                          | 12,486                  | -                | -                  | (4,536)                      | 8,528                          | 16,478                   |
| Access fund                               | 25,000                  | -                | -                  | (19,368)                     | 19,368                         | 25,000                   |
| Sinking fund                              | 60,000                  | -                | -                  | (5,975)                      | 45,975                         | 100,000                  |
| Leasehold property operational fund       | 48,000                  | -                | -                  | (16,000)                     | -                              | 32,000                   |
| <b>Total designated funds</b>             | <b>236,478</b>          | <b>-</b>         | <b>-</b>           | <b>(80,325)</b>              | <b>231,298</b>                 | <b>387,451</b>           |
| <b>General funds</b>                      | <b>485,534</b>          | <b>928,631</b>   | <b>(756,980)</b>   | <b>203,217</b>               | <b>(231,298)</b>               | <b>629,104</b>           |
| <b>Total unrestricted funds</b>           | <b>722,012</b>          | <b>928,631</b>   | <b>(756,980)</b>   | <b>122,892</b>               | <b>-</b>                       | <b>1,016,555</b>         |
| <b>Total funds</b>                        | <b>2,480,688</b>        | <b>1,620,132</b> | <b>(1,099,423)</b> | <b>-</b>                     | <b>-</b>                       | <b>3,001,397</b>         |

**Summary of transfers from restricted funds to unrestricted funds**

|                                                               |                |
|---------------------------------------------------------------|----------------|
| Depreciation of assets purchased with restricted funds        | 83,760         |
| Grant received in 2020-21 for expenditure incurred in 2019-20 | 9,653          |
| Release of restricted funds for core costs                    | 29,479         |
|                                                               | <b>122,892</b> |

**The Graeae Theatre Company Limited**  
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**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022 (continued)**

**15 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.

*Equipment grants*

These funds represent grants received to contribute to the cost of purchasing, developing or maintaining specific assets. No grants were received during the year (2021: £nil).

£2,257 was added to this fund (2021: nil) representing the amount of a grant from Garfield Weston Foundation which was spent on a fixed asset.

During the year £1,537 (2021: £2,627) was applied for depreciation on the assets purchased, maintenance costs, and costs incurred on equipment no longer being developed.

*Cross project grants*

These are grants that support a range of Graeae's activities.

During the year Graeae received £60,000 from Arts Council England Transforming Leadership (2021: £110,000) and £149,551 has been spent supporting the Beyond project and related activities (2021: £50,659). Delivery of some activities has been difficult under Covid restrictions so Arts Council England has extended the grant period into 2022-23.

In February 2021 Graeae received £198,107 from the Weston Culture Fund which has supported digital delivery of activities in addition to live performances. £182,466 has been spent in 2021-22.

*Productions and other artistic activities*

This fund includes £20,000 from Cockayne Foundation received in July 2019 for a future opera production and a further £20,000 from The Stables received in March 2020 for the same production. All £40,000 is being carried forward at 31 March 2022.

During 2020-21 Graeae received grants of £63,000 from Arts Council England and £20,000 from Paul Hamlyn Foundation to support deaf and disabled artists during Covid restrictions by providing IT equipment and access support for online activities. At 31 March 2021 there was £20,441 remaining to be distributed and a further £3,000 was received in 2021-22.

All this money has been spent during the year.

*Training, education and learning*

Grants totalling £50,706 (2021: £191,632) 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, the Beyond project 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 2022 (continued)**

**15 MOVEMENTS IN FUNDS (continued)**

**Unrestricted funds**

*General funds*

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

*New writing fund*

Esmée Fairbairn Foundation has agreed continuing support for years eight and nine of Graeae's new writing programme. However, recognising the challenges of Covid restrictions, Esmée Fairbairn Foundation has generously made this support unrestricted. Graeae's intention, as far as possible, is to use these funds as originally intended, hence this designated fund. The fund also includes other unrestricted donations which were made with new writing in mind.

*Artistic fund*

The artistic fund allows the company to develop a more strategic and ambitious programme in the future. In 2021-22 £38,518 was applied to Graeae's UK productions. There were no touring productions in 2020-21 but £4,854 was applied to support an online event called Signal Fires. The Board has agreed to allocate £38,518 (2021: £4,854) to this fund at 31 March 2021 to support future work.

*Training, education and learning fund*

This fund supports important outreach opportunities which may not been fully funded through specific grants. This fund has supported the costs of curtailing the Ensemble diploma course early because of Covid restrictions. The Board has agreed to maintain the fund at £20,000 at 31 March 2022.

*Marketing fund*

The marketing fund is available to support marketing and publicity costs of future projects. The fund was not utilised during 2021-22. In the previous year £2,904 was applied for producing a number of *Disability and ...* podcasts.

*Strategic development fund*

The strategic development fund supports investment in succession planning, skills' development, strategic advice and fundraising activities. During the year £4,800 was applied for professional services (2021: £600).

*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 £7,596 (2021: £4,536) was utilised in respect of depreciation on assets purchased through the fund. The Board has agree to allocate an additional £14,554 (2021: £8,528) 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. £9,256 (2021: £19,368) has been utilised during the year. The Board has agree to restore the fund to £25,000 at 31 March 2022.

*Sinking fund*

The sinking fund has been set up to cover equipment maintenance, general wear and tear of the building and unplanned maintenance. During the year £8,570 (2021: £5,975) has been released in respect of major repairs and maintenance. The Board has agreed to allocate £8,570 (2021: £45,975) to the fund keeping the total at £100,000.

*Leasehold property operational fund*

The leasehold property operational fund was originally set up to provide for the anticipated quinquennial rent reviews under the lease and increases in costs of the building generally. £16,000 (2021: £16,000) 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 (2021: £nil).



**The Graeae Theatre Company Limited**  
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**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022 (continued)**

**18 OPERATING LEASE COMMITMENTS**

At 31 March 2022 the charity was committed to making the following payments under non-cancellable operating leases:

|                                                            | <b>2022</b> | <b>2021</b> |
|------------------------------------------------------------|-------------|-------------|
|                                                            | <b>£</b>    | <b>£</b>    |
| <b>Land and buildings - operating leases payments due</b>  |             |             |
| In under one year                                          | 137,700     | 137,700     |
| Later than one year and not later than two years           | 137,700     | 121,475     |
| Later than two years and not later than five years         | 361,475     | 360,000     |
| Later than five years                                      | 1,355,507   | 1,475,507   |
|                                                            | <hr/>       | <hr/>       |
|                                                            | 1,992,382   | 2,094,682   |
|                                                            | <hr/>       | <hr/>       |
| <b>Plant and machinery - operating leases payments due</b> |             |             |
| In under one year                                          | 2,198       | 2,198       |
| Later than one year and not later than two years           | 2,198       | 170         |
| Later than two years and not later than five years         | 1,099       | -           |
|                                                            | <hr/>       | <hr/>       |
|                                                            | 5,495       | 2,368       |
|                                                            | <hr/>       | <hr/>       |

The lease agreement for the premises at Bradbury Studios is subject to a quinquennial rent review. (see also note 19). The next review is due at 18 July 2023.  
The company has entered into a five year lease on a store in Erith which expires on 28 April 2024.

**19 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 2022 (continued)**

**20 RELATED PARTY TRANSACTIONS**

Trustee expenses

No expenses were reimbursed to the trustees during the year (2021: £nil).

During 2021-22:

A relative of the Artistic Director undertook work for the charity on normal business terms:

- video editing on a project for a total fee of £3000.
- supporting R&D on a project for expenses only of £170.

During 2020-21:

A relative of the Artistic Director undertook work for the charity on normal business terms:

- as office duty manager for three days during Covid travel restrictions in June 2020 for a fee of £348.
- video editing on three separate filmed activities for a total fee of £1500.

The partner of the Executive Director (now Joint Chief Executive Officer) prepared and recorded an audio description for a filmed documentary on normal business terms for a fee of £464.

**The Graeae Theatre Company Limited**  
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**Notes to the Financial Statements**  
**For the Year Ended 31 March 2022 (continued)**

**21 OTHER GRANTS RECEIVED**

|                                              | Restricted<br>£ | Unrestricted<br>£ | 2022<br>Total<br>£ | Restricted<br>£ | Unrestricted<br>£ | 2021<br>Total<br>£ |
|----------------------------------------------|-----------------|-------------------|--------------------|-----------------|-------------------|--------------------|
| Note 2 - income from donations               |                 |                   |                    |                 |                   |                    |
| Arts Council England Cultural Recovery Fund  | 131,862         | -                 | 131,862            | -               | -                 | -                  |
| Arts Council England project grant           | 102,408         | -                 | 102,408            | -               | -                 | -                  |
| Arts Council England Transforming Leadership | 60,000          | -                 | 60,000             | 110,000         | -                 | 110,000            |
| Andrew Lloyd Webber Foundation               | -               | -                 | -                  | 10,000          | -                 | 10,000             |
| Backstage Trust                              | -               | -                 | -                  | 20,000          | -                 | 20,000             |
| Bailey Thomas Charitable Fund                | -               | -                 | -                  | (3,000)         | -                 | (3,000)            |
| City Bridge Trust                            | 50,706          | -                 | 50,706             | 37,440          | -                 | 37,440             |
| Creative Land Trust                          | -               | -                 | -                  | 7,450           | -                 | 7,450              |
| Esmée Fairbairn Foundation                   | -               | 140,400           | 140,400            | 55,000          | 150,000           | 205,000            |
| Fidelity UK Foundation                       | 20,000          | -                 | 20,000             | -               | -                 | -                  |
| Garfield Weston Foundation                   | -               | -                 | -                  | 198,107         | -                 | 198,107            |
| Postcode Community Trust                     | -               | -                 | -                  | 18,920          | -                 | 18,920             |
| The Curve Theatre                            | 5,000           | -                 | 5,000              | -               | -                 | -                  |
| The Daiwa Foundation                         | (2,500)         | -                 | (2,500)            | -               | -                 | -                  |
| The D'Oyly Carte Charitable Trust            | 4,000           | -                 | 4,000              | -               | -                 | -                  |
| The Stables                                  | -               | -                 | -                  | 20,000          | -                 | 20,000             |
| UNESCO Club Vienna                           | 8,411           | -                 | 8,411              | -               | -                 | -                  |
| Vision Foundation                            | 5,625           | -                 | 5,625              | -               | -                 | -                  |
|                                              | <b>385,512</b>  | <b>140,400</b>    | <b>525,912</b>     | <b>473,917</b>  | <b>150,000</b>    | <b>623,917</b>     |

Note 3 - income from charitable activities

|                                 |              |          |              |                |               |                |
|---------------------------------|--------------|----------|--------------|----------------|---------------|----------------|
| Acumen Fellowship               | -            | -        | -            | -              | 11,007        | 11,007         |
| Arts Council England            | 3,000        | -        | 3,000        | 71,000         | -             | 71,000         |
| National Lottery Community Fund | -            | -        | -            | 42,272         | -             | 42,272         |
| Paul Hamlyn Foundation          | -            | -        | -            | 20,000         | -             | 20,000         |
| Ramps on the Moon               | -            | -        | -            | 10,000         | -             | 10,000         |
| The Curve Theatre               | -            | -        | -            | 3,000          | -             | 3,000          |
|                                 | <b>3,000</b> | <b>-</b> | <b>3,000</b> | <b>146,272</b> | <b>11,007</b> | <b>157,279</b> |

**22 POST BALANCE SHEET EVENTS**

In July 2022 Graeae received a discretionary business rates rebate of £20,922.94 relating to 2018-19 and 2019-20. Graeae had been discussing this with London Borough of Hackney over a long period. The Trustees consider that this income should be recognised in 2022-23.

Also in July 2022 Graeae received notification of a legacy from an individual who died on 22 March 2022. The amount is not yet determined and therefore the Trustees consider that this income should be recognised in 2022-23.