

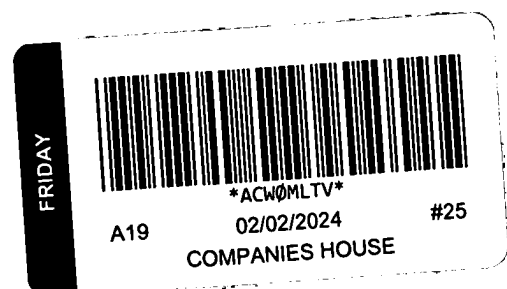
UNIVERSITY OF DERBY THEATRE LIMITED

(A company limited by guarantee)

Trustees' Annual Report and Financial Statements

For the year ended 31 July 2023

**Company Registration Number 06858792
Registered Charity Number 1129005**



UNIVERSITY OF DERBY THEATRE LIMITED
(A company limited by guarantee not having a share capital)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

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MEMBERS OF BOARD, OFFICERS AND PROFESSIONAL ADVISORS
AS AT 31 JULY 2023

REGISTERED IN ENGLAND AND WALES No. 06858792

CHARITABLE STATUS

The Company is a registered charity.

DIRECTORS AND MEMBERS

Professor Kathryn Mitchell
Lara Ratnaraja (resigned 31 October 2023)
Richard Gerver
Margaret Buddle
Professor Keith McLay
Jill Adamson
Michael Pinchbeck
Ruchita Shaikh (resigned 10 October 2023)
Susan Ambler
Elizabeth Nelson (appointed 15 June 2023)
Georgina Niemtus (appointed 10 May 2023)

LEADERSHIP TEAM

Sarah Brigham – Artistic Director & Chief Executive
Jenny Langlands – Executive Director (resigned October 2022)
Iain Hayes – Executive Director (joined July 2023)
Caroline Barth – Creative Learning Director

AUDITOR

BDO LLP
Two Snowhill,
Birmingham
B4 6GA

SOLICITORS

Veale Wasbrough Vizards LLP
Narrow Quay House,
Narrow Quay,
Bristol
BS41 4QA

Shakespeare Martineau LLP
No. 1 Colmore Square,
Birmingham
B4 6AA

REGISTERED OFFICE

Kedleston Road,
Derby
DE22 1GB

BANKER

HSBC Bank plc
1 St. Peter's Street,
Derby
DE1 2AE

UNIVERSITY OF DERBY THEATRE LIMITED

TRUSTEES' ANNUAL REPORT

The Trustees present their Annual Report and Audited Financial Statements for the year ended 31 July 2023. The Trustees' Annual Report serves the purposes of both a Trustees' report and a Directors' report, under company law.

This Annual Report describes the main trends and factors underlying our development, performance and position during the year ended 31 July 2023, as well as those likely to affect us in the future. The financial statements have been prepared in accordance with Charities SORP (FRS 102): 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).

Structure and Management

University of Derby Theatre Limited is a company limited by guarantee (registration number 06858792) and does not have share capital. It is also a registered charity. The charitable company's principal address is at 15, Theatre Walk, Derby.

The charitable company's governing document is the Memorandum and Articles of Association, 25 March 2011. Under the terms of the Memorandum and Articles of Association, each Trustee has undertaken to contribute a maximum of £1 in the event of a winding-up of the charitable company. The Trustees are also the Directors of the charitable company for the purposes of company law.

The charitable company recruits its Trustees from the artistic community and from the senior management of the University of Derby and the training and induction of new Trustees is performed by both internal and external courses and advice. The Trustees who served during the year and up to the date of signature of these accounts were as follows:

Professor Kathryn Mitchell
Lara Ratnaraja
Richard Gerver
Margaret Buddle
Professor Keith McLay
Jill Adamson
Michael Pinchbeck
Ruchita Shaikh
Susan Ambler
Elizabeth Nelson
Georgina Niemtus

The operational management of the business is delegated to the charitable company's leadership team led by the Chief Executive. The Executive Director is the day-to-day operational manager of the business. No Trustee had any interests in any contract made by the charitable company during the financial year. The setting of pay for key management personnel is set by the Trustees and delegated on an operational basis to the Chair, who will undertake the review on an annual basis. Increases in pay are awarded in line with meeting personal annual objectives and in line with employee pay rise percentages.

The charitable company has a close relationship with the University of Derby. The relationship realises that the operations of the two organisations are closely inter-related and therefore the impact of decisions taken in one organisation must be assessed on the other entity. There are service level agreements with the University of Derby for the provision of services to the Theatre and for the rental of space to the College of Arts, Humanities and Education for its Theatre Arts courses. The charitable company is controlled by the University of Derby and, as such, is consolidated into the annual results of the University of Derby Group.

The Trustees endeavour to identify, monitor and control the major risks faced each financial year when preparing and monitoring the annual budget. The Trustees approve the annual budget, all major capital expenditure and other major financial and property matters. The trustees also set the strategy for the business, monitor the performance of the business and review health and safety in the charitable company.

The system of internal control is designed to manage, rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives: to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2023 and up to the date of the approval of the financial statements. The Trustees

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confirm that there is an ongoing process for identifying, evaluating and managing the charitable company's significant risks using a Corporate Risk Register. The charitable company's policy in respect of the payment of creditors is to comply with terms where payment is made 30 days after receipt of a valid invoice. The charitable company's accounts are filed with the Registrar of Companies and with the Charity Commission due to its registration.

Objectives and Activities

The main activities of the charitable company are the running of a learning and community theatre both through in-house produced, and received work, and for the use of the theatre space by University of Derby College of Arts, Humanities and Education students.

Mission

We serve our community through creativity. We collaborate with the people of our city and region to make theatre that speaks for Derby and the county. We provide a space where artists can develop, and we have a unique partnership with the University of Derby. Our bold and brilliant work goes on tour across the country.

Vision

We strive to be the theatre Derbyshire deserves, working in ways that transform our region. Empowering artists, audiences and participants to tap into their potential and achieve. We create experiences that uplift hearts, broaden horizons and build change for the better.

Over the coming years, our programme aims to:

- Give our community agency through co-created projects.
- Entertain our city and beyond through bold, high quality, relevant entertainment.
- Support diverse artists through innovative talent development programmes.
- Support young people through formal education routes to enter the industry.
- Support young people in informal settings, helping them to achieve their potential.
- Support community cohesion through innovative community engagement.
- Showcase and develop the work with and for our deaf community.
- Disseminate our radical approach to running a theatre for the 21st Century through research and partnership.

Public benefit statement

The trustees have regard for the Charity Commission guidelines on public benefit in planning the activities of the Theatre. The Theatre continued to produce and present a diverse range of theatre, dance, music, comedy and circus across our main stage and studio spaces by professional companies and artists and local amateur talent. The learning programme went from strength to strength, with the Creative Learning team working in schools, community settings and in the Theatre, itself delivering a full programme of learning activities for all ages.

Financial Review

The main sources of funding for the year ended 31 July 2023 were ticket sales income and grant funding from the University of Derby (UoD) and Arts Council England (ACE). Additional income was derived from the rent charged to the College of Arts, Humanities and Education for the use of teaching and rehearsal space along with funding from trusts and foundations and other box office and commercial sources such as catering, bars and hires.

The expenditure of the charitable company is in support of Artistic Programming, including artist development and the learning programme. It also supports the management and running of the Theatre including administration and maintenance of the Theatre premises.

The Memorandum and Articles of Association govern the Trustees' investment powers, which permit the charitable company's funds to be invested in, or on, such investments, securities or property as may be thought fit. All surplus funds are invested in bank or money market deposits. No investments are made in any other securities, financial instruments, or properties not related to the primary activities of the charitable company.

The Statement of Financial Activities for the year ended 31 July 2023 is set out on page 15.

The total income from trading activities of the charitable company during the year was £5,074,702 (2022: £3,842,669) including grant funding of £550,000 (2022: £500,000) and £326,000 (2022: £326,000) rental income from the University of

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Derby. This was applied to total expenditure in the year of £4,819,167 (2022: £4,674,385).

Unrestricted funds fell modestly in the year by £346,183 (2022: £26,673). There was an inflow of restricted funds £705,834 (2022: outflow £994,749), as several new projects have been won. The Theatre also utilised £159,319 of its designated reserve (2022: increase of £281,043) in accordance with the aims of the designated reserve to support the ongoing sustainability of the Theatre.

A formal loan agreement exists relating to the intercompany loan from the University of Derby to University of Derby Theatre Limited for a maximum of £2,500,000, details of which can be found in Note 13.

Going Concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The Theatre also has a strong cash balance that the trustees feel mitigates the current reserve position and gives a measure of safety while reserves are built up. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies (Note 1).

Fundraising

Section 162a of the Charities Act 2011 requires us to make a statement regarding fundraising activities because we have an external audit. We undertake fundraising activities such as asking for donations to support the Theatre generally or for specific activities. We do not use professional fundraisers or "commercial participators" or indeed any third parties to solicit donations. We are therefore not subject to any regulatory scheme or relevant codes of practice, although we do follow the Fundraising Regulator code of practice. We have not received any complaints in relation to fundraising activities.

Reserves Policy

In accordance with Charity Commission guidelines, the charitable company is required to ensure the sustainability of the organisation and maintain operating reserves to offset the impact of unforeseen events and operating cash flows. The total funds of the charitable company are £5,875,579 (2022: £5,515,928) and are discussed separately below.

While the trustees believe that, given the current economic and funding environment, an appropriate level of unrestricted general reserves would be approximately three months of overhead expenditure, or approximately £450,000, currently the Theatre has unrestricted general reserves deficit position of £(99,901) (2022: surplus position of £147,121). The Trustees are aware that this falls short of the desired position but is understanding of the reasons for this position and supportive of the position post-pandemic. In the current economic climate, the Board recognises that whilst building reserves further remains a key aim, returning a surplus in each financial year is challenging. As below, the Board plan to leverage the designated reserve fund to continue to develop audiences and improve returns.

The trustees have therefore carefully considered the Theatre's financial position and note the Theatre has a substantial designated reserve of £414,355 (2022: £573,674), which has been established for the specific purpose of building the future sustainability of the Theatre. It is anticipated approximately £60,000 will be used in 23/24, with a timeline for use of the remaining fund being developed in 23/24. In 2023, £159,319 (2022: £21,782) was spent to support building new audiences to drive increased future income. Any release of designated funds requires Trustee Board approval.

Lastly, unrestricted funds include a revaluation reserve of £3,626,897 (2022: £3,566,739) which will only be realised upon the disposal of the theatre building lease. Management has no intention of disposing of the theatre building in the foreseeable future.

The restricted funds position at the year-end was £1,934,228 (2022: £1,228,394) and were not available for general purposes.

Principal Risks and Uncertainties

The Theatre faces two principal risks in the medium term. These are the continued difficulty in rebuilding audience numbers post covid and an increasingly competitive fund-raising environment. Both of these are exacerbated by the cost-of-living crisis with the public having less discretionary spending available. In order to mitigate, the Theatre is utilising its designated reserve to fund an audience development post to help engage audiences.

The current inflationary environment has also introduced a higher degree of uncertainty in the budgeting cycle. While some

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funders have awarded uplifts to grants to mitigate this, these are not guaranteed, so careful planning is needed to ensure early sight of increases is known where possible.

Risks are considered at quarterly board meetings in the risk register, and this is regularly updated.

Achievements and performance

Derby Theatre continues to be an Arts Council England National Portfolio Organisation and this funding is secured until March 2026. The Theatre has had a successful year, continuing to produce, co-produce and co-create high quality artistic productions for the main stage. We continued to work on large scale collaborative partnerships with local and national significance including: Derby Reimagine (ACE's YPPF programme), Derby CAN (ACE's Producing Hub programme, match funded by the Paul Hamlyn Foundation); and Plus One (funded by the Esme Fairbairn Foundation).

Derby Theatre is a key partner in Derby's Cultural Education Partnership (DCEP), an initiative which has been developed in response to the Arts Council of England's Cultural Education Challenge, launched in October 2015. The partnership is steered by Arts Council England National Portfolio Organisations: Derby Theatre, QUAD, Déda, Derby Museums, Sinfonia ViVA, Baby People and EMCCAN (East Midlands Caribbean Carnival Arts Network).

Our in-house production season opened with a new adaptation by Neil Bartlett of *Jekyll and Hyde*, co-produced with Queen's Theatre Hornchurch. Directed by Derby Theatre artistic director Sarah Bringham and hugely well received (4-stars, *The Guardian*) the show was seen by over 7,500 in Derby.

Christmas 2022 saw the return of Toby Hulse's adaptation of *The Wind in the Willows*, a revival of our 2021 outdoor production. Another critical success, director Trina Haldar's "warm and familiar" (the Stage) production was a welcome return to full Christmas operations, post-pandemic.

Meanwhile, in the studio, we presented a new retelling of *Ugly Duckling* by Emma Reeves. Produced in association with Tutti Frutti production and York Theatre Royal. "Delightful, beautifully detailed and really quite magical" (*Mumsnet*) was the overwhelming reaction to this show aimed at the youngest audience.

In March, in co-production with Mercury Theatre, Belgrade Theatre and York Theatre Royal, we presented *Run, Rebel*, a world-premiere adaptation of Manjeet Mann's novel, adapted by the author and directed by Tessa Walker. "Empowering" (*The Stage*).

Easter 2023 saw the Theatre present *Robin Hood and the Major Oak*, a new play with music, written by Deb McAndrew and directed by Sarah Bringham. Featuring actor-musicians, Deaf, hearing and interpreting actors, this show was "special and refreshing" (*EastMidlandsTheatre.com*). With the Deaf and hearing audience in mind, BSL was used throughout with creative captioning integrated into the set.

Our received programme continued to be successful, presenting a varied programme for diverse audiences across a range of artforms including dance, comedy, drama and family work. A variety of new, challenging and interesting works were presented in the studio – many of which went on to be performed in the Edinburgh Festival Fringe 2023.

The Theatre continued to work with In Good Company (IGC), a fellow subsidiary, to support artistic companies and independent artists across the region. We delivered advice and guidance sessions to support on project planning and production. A joint project, funded by the Jerwood Developing Artists Fund, supported a cohort of early career producers with skills workshops and residencies.

Also in partnership with IGC, the Theatre delivered its annual Departure Lounge Festival which saw industry professionals, artists and critics attend a range of panel discussions and performances. This year's festival had international connections through Derby Theatre's involvement in Connect Up. Derby Theatre created *Pleasant Land*, a new piece of work in collaboration with Teatro Elsinor, which premiered at the festival. The piece was co-created by the company working with writer Nathan Powell and directed by Sarah Bringham. Also programmed at Departure Lounge were *Footsteps in the Mud*, a co-production with Theatre Pinklec from Croatia, and *Cross the Line*, a collaboration between Teatro delle Briciole Solares Fondazione delle arti and Teatro Comunale di Casalmaggiore.

The Theatre continued to deliver its pioneering learning and community work, including:

- Ten weekly youth theatre groups, including a group for D/deaf young people. Eight of these groups performed a fully designed and produced show in the main house or studio. Approximately 120 participants attended around 40 sessions a year each. The Derby Theatre Ambassadors group also continued to help shape the future direction for the young people's programme.

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- In partnership with artist Nicky Bellinger and Universal Services for Carers in Derby we continued delivering and developing the Carers Café. The Café is a creative space for those living with dementia and their carers to come together once a month. Parallel to this, Nicky Bellinger worked with a group of Youth Theatre participants on a week-long R&D to workshop a play written for young people around dementia and the stigmatisation. A sharing was presented in the main house.
- With Maison Foo we hosted Meet Your Neighbour events. We maintained our Theatre of Sanctuary status in recognition of our work with and for new arrivals.
- The final year of Reimagine, a DCEP partnership project led by Derby Theatre. Work continued in five hub locations and school settings, responding to local needs and stories. A celebration event was held at Derby Theatre including footage from the project and performances from participants. The project engaged with over 2,200 young people across the city and legacy activity has been planned with key target groups to continue this work.
- Plus One, the programme which works with care experienced young people and partners across the city to help develop their confidence, ability to build relationships and employability skills. One-to-one creative mentoring sessions support those least able to get involved in bigger projects. In 2023, Odyssey won the Stage's Digital Project of the Year for a virtual reality experience co-created by care experienced young people. Approximately 150 young people and families took part.
- Making and Believing, a project for nurseries and early years settings where artists deliver long-term interventions and then shows tour to the settings and the theatre. Around 120 children were involved.

In addition to the above, the learning team has continued to deliver a workshop programme for schools and teachers, which included Careers Days, Discover Days and show-related workshops. A work experience programme was also delivered to year 10 students. We also continued to develop Connect Up, an international project in which 12 partners from across Europe create new work for 12+ along with learning programmes for artists and teachers.

All departments across the Theatre delivered the 'Spotlight On' modules for theatre-based University of Derby programmes across all year groups. The MA students are fully integrated into the Learning Theatre delivery model. The Theatre supported all student shows and the MA symposium. The Theatre also works with several other programmes and initiatives across the University, for example the Creative Expressive Therapy programme and Civic Lab Research Group.

Derby CAN has continued to thrive and supported artists' professional development – 5,455 participation instances over the life of the project. Work this year included:

- Continuing work in hub locations, producing a variety of events selected by the community and delivering workshops including producing skills and Make-up SFX (special effects). This includes a digital hub, where the project provided equipment to enable the launch of a community podcast.
- New relationships have been developed with other community groups and venues to create events that respond directly to need and community interest:
 - Hope for Ukraine – creative Sunflower making sessions and peace procession.
 - Derby Vision – celebrating undiscovered musical talent from wards across the city.
 - Two sold-out Banghra dancing sessions with over 100 attendees at each.
 - Derby Dishes – celebrating the culture and cuisine of the city at a joyous evening of performance and food hosted at the Museum of Making attended by community, stakeholders and international guests during the Departure Lounge Festival.
- Continuing our support to previously commissioned artists to bring their projects to completion on stage, in art galleries and out in public spaces – the programme awarded seven new commissions to local artists who are from the Global Majority, with online training from top industry professionals of colour, to work with community members to co-create their own work and increase diversity in the artistic ecology of the city.
- Presenting a large-scale outdoor project - "Over to You." Held in a big top in Markeaton Park, this event combined *Made by Us*; performances by local artists showcasing the brilliant talent and range of new work in Derby (act 1) with Revel Puck's joyous large-scale circus show, *The Wing Scuffle Spectacular* (act 2). The double bill was co-created with the

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community, and Derby CAN participants took the lead in various production roles. The project was shortlisted for The Stage's Community Project of the Year Award.

- Delivering a training programme for 15 volunteers in partnership with Wild Rumpus and Timber Festival – supporting community members to develop skills in producing and outdoor event management.
- In the CAN – awarding digital commissions to 4 local filmmakers to create a short film showcasing their people, place and neighbourhood.

Derby CAN continues to strengthen partnership working with other local NPOs, national partners and grassroots organisations.

Over the past year, Derby Theatre has been successful in securing key grants to support the legacy of key projects that are ending. As lead DCEP partner, the Theatre was awarded £631,500 from ACE to deliver a Place Partnership project working with young people across the city. Derby Theatre was awarded £462,942 from the National Lottery Reaching Communities fund, which will help us to embed the learning and practice from community projects into our core programme. Additionally, Esmée Fairbairn Foundation renewed their support of Plus One with a grant of £176,000 to continue this vital project and Backstage Trust awarded a grant to support the ongoing development of the Youth Theatre programme.

Future Plans

Derby Theatre continues to deliver a bold and brilliant programme of work, which meets its vision and mission. The primary objective of Derby Theatre is to ensure it continues to pioneer its innovative model, which sees learning and community placed at the heart of its role as a producing theatre, as part of a unique relationship with the University of Derby.

We will continue to deliver high quality theatre productions, innovative learning programmes and transformational artist development schemes. As an Arts Council England NPO organisation, the theatre's programme and business model will continue to align with ACE's Let's Create Strategy and Investment Principles.

Following the year end, in November 2023, Derby Theatre received confirmation that it is being awarded £10m for development of a new studio theatre from the Department of Levelling Up, Housing and Communities. This will increase the number of seats available in the studio and bring the entrance into the main theatre, making the space more attractive and allowing a wider range of shows to be scheduled. While plans are still being developed, the trustees feel this is an important step to strengthen the financial sustainability of the Theatre over the longer term.

Trustees' responsibilities statement

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 the applicable Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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Disclosure of information to auditor


The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the charitable company's auditor is unaware; and each trustee has taken all the steps that ought to have been taken as a trustee to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Appointment of Auditor

BDO LLP have expressed their willingness to continue in office as auditor and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Board Approval

Approved by the board of trustees on 26 January 2024 and signed on their behalf by

A handwritten signature in black ink that reads "Kathryn Mitchell". The signature is written in a cursive, flowing style.

Professor Kathryn Mitchell
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF UNIVERSITY OF DERBY THEATRE LIMITED

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 July 2023 and of its incoming resources and application of resources 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.

We have audited the financial statements of University of Derby Theatre Limited ("the Charitable Company") for the year ended 31 July 2023 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements 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.

Conclusions related 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's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF UNIVERSITY OF DERBY THEATRE LIMITED

- the information given in the Trustees' Report, which includes the Directors' Report prepared 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 Directors' Report, which is included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Charitable Company and the sector in which it operates;

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF UNIVERSITY OF DERBY THEATRE LIMITED

- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Charitable Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be Companies Act 2006, Charities Act 2011, UK Generally Accepted Accounting Practice, UK tax legislation.

The Charitable Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be employment law, data protection and health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Charitable Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override including the posting of inappropriate journals to manipulate financial results and management bias in accounting estimates. In addition, we considered revenue recognition an area to be susceptible to fraud, particularly in relation to the posting of manual journals to material revenue streams and the recognition of grant income in line with performance conditions.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including assumptions for the useful economic lives of tangible fixed assets, valuation of land and buildings and impairment considerations.
- Testing a sample of grant contracts to ensure appropriate recognition during the year, including correct treatment of any accrued or deferred income.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF UNIVERSITY OF DERBY THEATRE LIMITED

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.

DocuSigned by:

Samantha Lifford

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Samantha Lifford (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
Birmingham, UK
Date: 30 January 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 JULY 2023

		Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
		2023	2023	2023	2022	2022	2022
	Note	£	£	£	£	£	£
Income							
Donations and legacies	2	1,498,715	1,517,418	3,016,133	1,709,067	261,120	1,970,187
Charitable activities	3	1,787,097	-	1,787,097	1,702,805	-	1,702,805
Other trading activities	4	207,094	-	207,094	162,296	-	162,296
Investment income	5	64,378	-	64,378	7,381	-	7,381
Total income		3,557,284	1,517,418	5,074,702	3,581,549	261,120	3,842,669
Expenditure							
Raising funds	6	(359,525)	-	(359,525)	(277,229)	-	(277,229)
Charitable activities	6	(3,643,580)	(816,062)	(4,459,642)	(3,141,287)	(1,255,869)	(4,397,156)
Total expenditure		(4,003,105)	(816,062)	(4,819,167)	(3,418,516)	(1,255,869)	(4,674,385)
Net (expenditure)/income before transfers and revaluation		(445,821)	701,356	255,535	163,033	(994,749)	(831,716)
Transfer between funds	14	(4,478)	4,478	-	-	-	-
Revaluation in year	14	104,116	-	104,116	(189,706)	-	(189,706)
Net (expenditure) / income and net movement in funds for the year		(346,183)	705,834	359,651	(26,673)	(994,749)	(1,021,422)
Reconciliation of funds							
Total funds brought forward		4,287,534	1,228,394	5,515,928	4,314,207	2,223,143	6,537,350
Net movement in funds		(346,183)	705,834	359,651	(26,673)	(994,749)	(1,021,422)
Total funds carried forward		3,941,351	1,934,228	5,875,579	4,287,534	1,228,394	5,515,928

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

All the activities of the charitable company are classed as continuing.

Notes to the financial statements are shown on pages 17 – 29.

BALANCE SHEET AS AT 31 JULY 2023
COMPANY NUMBER 06858792

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	10	4,970,641	5,032,123
Current assets			
Stocks		10,413	9,048
Debtors	11	2,097,663	1,227,922
Cash at bank		1,873,318	2,344,856
		<u>3,981,394</u>	<u>3,581,826</u>
Creditors: amounts falling due within one year	12	<u>(1,042,501)</u>	<u>(1,028,264)</u>
Net current assets		<u>2,938,893</u>	<u>2,553,562</u>
Total assets less current liabilities		<u>7,909,534</u>	<u>7,585,685</u>
Creditors: amounts falling due after more than one year	13	<u>(2,033,955)</u>	<u>(2,069,757)</u>
Net assets		<u>5,875,579</u>	<u>5,515,928</u>
Funds:			
Unrestricted funds	14	(99,901)	147,121
Designated funds	14	414,355	573,674
Revaluation reserve	14	3,626,897	3,566,739
Total unrestricted funds		<u>3,941,351</u>	<u>4,287,534</u>
Restricted funds	14	<u>1,934,228</u>	<u>1,228,394</u>
Total funds		<u>5,875,579</u>	<u>5,515,928</u>

The Financial Statements on pages 15 - 29 have been prepared in accordance with the provisions applicable to entities subject to the small companies regime. These were approved by the board of trustees on 26 January 2024 and were signed on its behalf by:

Kathryn Mitchell

Professor Kathryn Mitchell
Chair of Trustees

UNIVERSITY OF DERBY THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

1. Accounting policies

University of Derby Theatre Limited is a charitable company, limited by guarantee, incorporated in England under the Companies Act 2006. The address of the registered office is shown on the 'Members of Board, Officers and Professional Advisors' page and the nature of the Charitable company's principal activity is shown in the Trustees' Report.

The financial statements are prepared and presented in £ sterling which is the functional currency of the Charitable Company. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements except as noted below.

Accounting convention

The financial statements of the charity have been prepared in accordance with the Charities SORP (FRS 102) – Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

University of Derby Theatre Limited meets the definition of a public benefit entity under FRS 102. Financial statements are drawn up on the historical cost accounting basis, modified to include the revaluation of certain fixed assets.

Exemptions

The charitable company's ultimate parent undertaking, the University of Derby, includes the charitable company in its consolidated financial statements. The consolidated financial statements of The University of Derby are prepared in accordance with FRS 102 and are available to the public and may be obtained from the University of Derby, in these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- cash flow statement and related notes

Going Concern

The trustees carefully review the financial and cash plans of the charitable company on a regular basis. In doing so, this enables them to plan and proactively prepare for events which might otherwise cause significant impact on the business. The trustees have also worked hard to evaluate the financial impact of the changing scenarios over the period to July 2026. This has enabled management to prepare a going concern forecast to July 2025, more than 12 months from the date of signing the financial statements. Projections show modest improvement over the medium term with the continued support of the University of Derby. The University has provided grant funding of £550,000 during the year and has indicated its willingness to continue to provide consistent funding via the approval by its Governing Council of its five-year financial plan. The Theatre was also successful in renewing its NPO funding for a further three-year period to 31 March 2026. Additionally, the Theatre was awarded £10m in November 2023 to redevelop its Studio Theatre into a larger capacity venue, enabling better alignment of space and shows, improving potential returns. Therefore, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Income

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Income received in advance of a theatrical performance or provision of other specified service is deferred until the criteria for income recognition are met.

Income in respect of rental income is recognised on a straight-line basis over the period in which the theatre hall is rented.

Income from Government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from the sale of goods or services including catering is recognised when the goods or services are supplied to the external customers, or the terms of the contract have been satisfied.

Tax recoverable under the Theatre Tax Relief scheme is accrued in the year in which the production takes place and therefore there is entitlement.

UNIVERSITY OF DERBY THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of catering services provided by the theatre and their associated support costs.
- Expenditure on charitable activities includes the costs of performances, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administration costs, finance, personnel, payroll and governance costs which support the Charitable Company's artistic programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. Support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company. This is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

Taxation

Corporation tax

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charitable company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Value added tax

The charitable company's income is exempt from Value Added Tax (VAT) except as regards its commercial undertakings and certain consultancy activities, which are at standard rate. Irrecoverable input VAT is included in the relevant expenditure categories.

Tangible fixed assets

It is the policy of the charitable company to carry out a full revaluation of its buildings every three years. In the intervening years, a desktop revaluation exercise is conducted. The valuations are carried out by Gerald Eve LLP, with a full valuation being carried out at 31 July 2023.

All other tangible fixed assets are stated at cost. Items of equipment costing less than £10,000 are recorded in the Statement of Financial Activities as premises costs in the year of purchase.

Depreciation for all assets is provided to depreciate the cost or valuation of fixed assets, over their estimated useful lives on a straight-line basis, at the following annual rates:

Leasehold buildings	Over the term of the lease
Plant and equipment	Between 10% and 33.3%
IT infrastructure and computer equipment	Between 20% and 33.3%

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid net of any trade discounts.

UNIVERSITY OF DERBY THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

Liabilities

Liabilities 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.

Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Financial Instruments

All loans, investments and short-term deposits held by the charitable company are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost; however, the charitable company has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the Balance Sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

Post-retirement benefits

The charitable company participates in the National Employment Savings Trust (NEST) defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The amount charged to the statement of financial activities represents the contributions payable to the scheme in respect of the accounting period.

Fund Accounting

Unrestricted funds are those which are available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying accounting policies. Estimates, assumptions and judgements are continually evaluated based on available information and experience. Estimates based on assumptions and judgements could differ significantly from actual results.

The areas most affected using estimates and judgements are described below:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives considering residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are considered. Residual values assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Valuation of buildings

The fair value of the buildings of the Charitable Company have been provided to management by an independent valuation expert, Gerald Eve LLP, at the reporting date, as instructed. They have made assumptions in the determination of the fair value of the property in respect of the condition of the property, health of the property market in the location where the property is situated and in respect of the range of reasonable fair value estimates of the asset.

UNIVERSITY OF DERBY THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

Impairment

Management make judgement as to whether the Theatre is appropriately valued at each Balance Sheet date and whether any indicators of impairment exist. Discussions are held prior to year-end to assess market movements, planned changes and any other indicators which might warrant a change in the carrying value of an asset. Should an impairment be indicated, a third-party valuer would be contracted to estimate the change in carrying value at the Balance Sheet date.

2. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	31,683	6,422	38,105	27,022
Grants	1,467,032	1,510,996	2,978,028	1,943,165
Total	1,498,715	1,517,418	3,016,133	1,970,187

Restricted funds of £261,120 and unrestricted funds of £1,709,067 were received in 2022.

3. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Theatre activities	1,240,906	1,240,906	1,111,964
Rental income	337,477	337,477	328,659
Other income	1,500	1,500	10,377
Theatre tax credit	207,214	207,214	251,805
Total	1,787,097	1,787,097	1,702,805

Restricted funds of £nil and unrestricted funds of £1,702,805 were received in 2022.

4. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Catering	207,094	207,094	162,296
Total	207,094	207,094	162,296

Restricted funds of £nil and unrestricted funds of £162,296 were received in 2022.

5. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Interest receivable	64,378	64,378	7,381
Total	64,378	64,378	7,381

Restricted funds of £nil and unrestricted funds of £7,381 were received in 2022.

UNIVERSITY OF DERBY THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

6. Expenditure by activity

	Direct costs 2023 £	Support costs 2023 £	Total costs 2023 £	Direct costs 2022 £	Support costs 2022 £	Total costs 2022 £
Cost of raising funds						
Donations and fundraising	41,011	22,518	63,529	41,124	16,980	58,104
Other trading	191,080	104,916	295,996	155,091	64,034	219,125
	<u>232,091</u>	<u>127,434</u>	<u>359,525</u>	<u>196,215</u>	<u>81,014</u>	<u>277,229</u>
Cost of charitable activities						
Theatre activities	2,001,807	1,099,123	3,100,930	2,002,950	808,554	2,811,504
Creative learning	44,923	24,666	69,589	146,951	60,673	207,624
Funded Projects	832,194	456,929	1,289,123	1,342,330	35,698	1,378,028
	<u>2,878,924</u>	<u>1,580,718</u>	<u>4,459,642</u>	<u>3,492,231</u>	<u>904,925</u>	<u>4,397,156</u>
Total expenditure	<u>3,111,015</u>	<u>1,708,152</u>	<u>4,819,167</u>	<u>3,688,446</u>	<u>985,939</u>	<u>4,674,385</u>

7. Support costs by activity – current year

	Raising funds 2023 £	Theatre activities 2023 £	Creative learning 2023 £	Funded projects 2023 £	Total costs 2023 £
Support cost allocation					
Premises costs	56,120	484,038	10,862	201,225	752,245
Management and staff costs	59,215	510,731	11,461	212,321	793,728
Legal, professional and finance costs	4,654	40,139	901	16,687	62,381
Audit and taxation	2,980	25,704	577	10,686	39,947
Office costs	4,465	38,511	865	16,010	59,851
Total support costs	<u>127,434</u>	<u>1,099,123</u>	<u>24,666</u>	<u>456,929</u>	<u>1,708,152</u>

Support costs by activity – prior year

	Raising funds 2022 £	Theatre activities 2022 £	Creative learning 2022 £	Funded projects 2022 £	Total costs 2022 £
Support cost allocation					
Premises costs	40,157	400,790	30,075	17,695	488,717
Management and staff costs	26,125	260,736	19,565	11,511	317,937
Legal, professional and finance costs	4,024	40,164	3,014	1,773	48,975
Audit and taxation	1,774	17,702	1,328	782	21,586
Office costs	8,934	89,162	6,691	3,937	108,724
Total support costs	<u>81,014</u>	<u>808,554</u>	<u>60,673</u>	<u>35,698</u>	<u>985,939</u>

No governance costs were incurred by the Theatre (2022: £nil).

8. Net movement in funds for the year

	2023 £	2022 £
Net movement in funds for the year is stated after charging:		
Auditor's remuneration - as auditors	22,980	15,920
Auditor's remuneration - non audit services	-	-
Depreciation on tangible fixed assets	170,258	177,561

UNIVERSITY OF DERBY THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023
9. Staff costs

	2023	2022
	£	£
Wages and salaries	1,606,118	1,645,849
Social security costs	110,823	102,322
Pension costs	58,978	55,741
	<u>1,775,919</u>	<u>1,803,912</u>

The pension cost charge for the period represents contributions payable by the Company to the NEST scheme and private defined contribution schemes and amounted to £58,978 (2022: £55,741). Contributions amounting to £17,879 (2022: £8,529) were payable to the scheme and are included in creditors.

Particulars of employees:

The average number of staff employed by the charitable company during the financial year amounted to:

	2023	2022
	No.	No.
Employees	107	97

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-

These 2 employees received employers pension contributions in year of £6,711 (2022: £5,408).

The key management personnel of the company comprised 4 staff members (including 1 new starter part-year and one leaver part-year) of the Senior Leadership Team. The total employee benefits of the key management personnel, including National Insurance contributions were £166,337 (2022: £192,455).

No trustee received remuneration from the charitable company during the year. Expenses of £nil (2022: £nil) were paid in the year. The company paid £nil (2022: £nil) during the year in respect of Directors and Officers liability insurance.

10. Tangible fixed assets

	Leasehold buildings	Plant and equipment	Total
	£	£	£
Cost or valuation			
On 1 August 2022	4,455,000	1,181,471	5,636,471
Additions	-	4,659	4,659
Disposals	-	1	1
Revaluation	47,000	-	47,000
On 31 July 2023	<u>4,502,000</u>	<u>1,186,131</u>	<u>5,688,131</u>
Depreciation			
On 1 August 2022	-	604,348	604,348
Charge for the year	57,116	113,142	170,258
Disposals	-	-	-
Revaluation	(57,116)	-	(57,116)
On 31 July 2023	<u>-</u>	<u>717,490</u>	<u>717,490</u>
Net book value			
On 31 July 2023	<u>4,502,000</u>	<u>468,641</u>	<u>4,970,641</u>
On 1 August 2022	<u>4,455,000</u>	<u>577,123</u>	<u>5,032,123</u>

UNIVERSITY OF DERBY THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

10. Tangible fixed assets (continued)

In accordance with FRS102, a valuation of the leasehold building was performed independently by Gerald Eves LLP, Chartered Surveyors, as of 31 July 2023. The valuation was performed in accordance with the Statement of Asset Valuation and Guidance Notes, published by the Royal Institute of Chartered Surveyors.

The historic cost and accumulated depreciation of properties held at fair value is as follows:

	2023	2022
	£	£
Historic cost	1,011,677	1,011,677
Depreciation	(142,695)	(131,409)
Net book value	<u>868,982</u>	<u>880,268</u>

11. Debtors

	2023	2022
	£	£
Trade debtors	133,664	138,972
Amounts owed by group companies	3,138	-
Other debtors	36,212	55,462
Prepayments and accrued income	<u>1,924,649</u>	<u>1,033,488</u>
	<u>2,097,663</u>	<u>1,227,922</u>

12. Creditors amounts falling due within one year

	2023	2022
	£	£
Trade creditors	125,035	165,090
Social security and other taxes	25,019	23,660
Accruals	585,891	693,059
Deferred income	306,556	114,213
Amounts due to group companies	-	32,242
	<u>1,042,501</u>	<u>1,028,264</u>

	2023	2022
	£	£
Deferred income at 1 August	114,213	104,896
Income deferred during the year	306,485	114,213
Amounts released from prior periods	(114,142)	(104,896)
Deferred income at 31 July	<u>306,556</u>	<u>114,213</u>

Deferred income consists of amounts received for future shows which have not taken place at year end, and for delivery of services which have not been completed at year end.

13. Creditors amounts falling due after one year

	2023	2022
	£	£
Amounts due to group companies	<u>2,033,955</u>	<u>2,069,757</u>
	<u>2,033,955</u>	<u>2,069,757</u>

The Theatre has received a loan from the University of up to £2.5m. This loan is repayable (in part or full) 18 months following a demand from the University. No interest is charged on this loan.

14. Statement of funds – current year

	Balance at 1 Aug 2022 £	Income £	Expenditure £	Transfers in/(out) £	Revaluation in year £	Balance at 31 Jul 2023 £
Unrestricted funds						
General Funds	147,121	2,211,546	(2,560,075)	101,507	-	(99,901)
Arts Council – NPO grant	-	795,738	(795,738)	-	-	-
University of Derby grant	-	550,000	(550,000)	-	-	-
	147,121	3,557,284	(3,905,813)	101,507	-	(99,901)
Designated funds						
Designated fund	573,674	-	(97,292)	(62,027)	-	414,355
Revaluation reserve						
Revaluation reserve	3,566,739	-	-	(43,958)	104,116	3,626,897
Total unrestricted funds	4,287,534	3,557,284	(4,003,105)	(4,478)	104,116	3,941,351
Restricted funds						
Arts Council - Derby CAN	893,108	2,400	(405,636)	-	-	489,872
Arts Council - YPPF	290,700	-	(307,791)	17,091	-	-
Arts Council – Place Partnership	-	631,500	(2,244)	-	-	629,256
Esmee Fairburn	19,447	-	(19,447)	-	-	-
Esmee Fairburn 23-25	-	176,000	(32,152)	-	-	143,848
Plus One	8,139	6,422	(3,126)	-	-	11,435
Big House	-	3,154	(7,541)	4,387	-	-
Paul Hamlyn Speak Out	-	165,000	-	-	-	165,000
Lottery Community Fund	-	462,942	-	-	-	462,942
DCEP Might Creatives	-	10,000	(10,000)	-	-	-
Jerwood Foundation	-	60,000	(28,125)	-	-	31,875
Culture Recovery Fund 3	17,000	-	-	(17,000)	-	-
	1,228,394	1,517,418	(816,062)	4,478	-	1,934,228
Total of funds	5,515,928	5,074,702	(4,819,167)	-	104,116	5,875,579

UNIVERSITY OF DERBY THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

Statement of funds – prior year

	Restated Balance at 1 Aug 2021 £	Income £	Expenditure £	Transfers in/(out) £	Revaluation in year £	Balance at 31 Jul 2022 £
Unrestricted funds						
General Funds	136,560	1,949,166	(1,938,605)	-	-	147,121
Arts Council – NPO grant	-	798,656	(798,656)	-	-	-
University of Derby grant	-	500,000	(500,000)	-	-	-
Derby City Council grant	86,000	30,902	(116,902)	-	-	-
Culture Recovery Fund 3	-	302,825	-	(302,825)	-	-
	<u>222,560</u>	<u>3,581,549</u>	<u>(3,354,163)</u>	<u>(302,825)</u>	<u>-</u>	<u>147,121</u>
Designated funds						
Designated fund	292,631	-	(21,782)	302,825	-	573,674
Revaluation Reserve						
Revaluation reserve	3,799,016	-	(42,571)	-	(189,706)	3,566,739
Total unrestricted funds	<u>4,314,207</u>	<u>3,581,549</u>	<u>(3,418,516)</u>	<u>-</u>	<u>(189,706)</u>	<u>4,287,534</u>
Restricted funds						
Arts Council - Derby CAN	1,459,699	25,061	(591,652)	-	-	893,108
Arts Council - YPPF	591,925	11,500	(312,725)	-	-	290,700
Esmee Fairburn	83,914	-	(64,467)	-	-	19,447
Plus One	7,821	10,518	(10,200)	-	-	8,139
Big House	-	12,235	(12,235)	-	-	-
Culture Recovery Fund 2	79,784	-	(79,784)	-	-	-
Culture Recovery Fund 3	-	201,806	(184,806)	-	-	17,000
	<u>2,223,143</u>	<u>261,120</u>	<u>(1,255,869)</u>	<u>-</u>	<u>-</u>	<u>1,228,394</u>
Total of funds	<u>6,537,350</u>	<u>3,842,669</u>	<u>(4,674,385)</u>	<u>-</u>	<u>(189,706)</u>	<u>5,515,928</u>

Description of funds

Derby CAN

Restricted funding received for the Derby CAN (Derby Creative Arts Network) project in which organisations come together to create theatre and live events in partnership with people who live in Derby and the surrounding areas.

YPPF (Reimagine)

Restricted funding received for the Young People's Performance project which has developed five Reimagine hubs to provide opportunities for Derby youth to be involved in Theatre.

Arts Council Place Partnership

Restricted funding to support a unique partnership project working with leading cultural organisations across the city. It provides young people the opportunity to participate in exciting and high-quality arts and cultural activities in their communities.

Esmee Fairburn

Restricted funding to support the Theatre's ongoing work with care-experienced young people.

Esmee Fairburn 23-25

Restricted funding to continue to build upon the Theatre's ongoing work with care-experienced young people.

Plus One

Restricted funding from public donations following a campaign by local cultural providers to give free opportunities for looked after young people, care leavers and their families to take part in cultural events and a range of creative workshops and projects.

Big House

Restricted funding received for the Big House project which helped creative and digital businesses to grow across the Nottingham and Derbyshire areas. The project was part-funded by the EU and is delivered through a partnership of business support organisations.

Paul Hamlyn Speak Out

Restricted funding received from Paul Hamlyn's Teacher Development Fund to support the needs of pupils experiencing inequity and embedding learning through the arts in the curriculum through teacher professional development.

Lottery Community Fund

Restricted funding received to support the 'Working with our Communities' project, which aims to engage and develop the skills of people of Normanton and Bramblebrook and build community cohesion through an engaged programme of arts activity co-created with them.

DCEP Mighty Creatives

Restricted funding received to support development of a sustainable, strategic response to flourish post-March 2023.

Jerwood Foundation

Restricted funding to support early-career producers across 2 years to develop their professional practice in a meaningful and practical way.

Culture Recovery Fund 2&3

Restricted funding received from Arts Council England to ensure that the Theatre remains sustainable in the long term via the rebuilding of reserves following the COVID-19 pandemic and closure of the Theatre.

Designated Fund

This designated fund has been established from Culture Recovery funding (grants 2 and 3) received from Arts Council England. Both grants had some elements that were ringfenced for specific purposes, and that portion of the funding has been recorded as restricted. The remainder of each grant was given to establish a designated fund supporting the sustainability of the Theatre over the longer term.

Revaluation Reserve

This reserve is created following the revaluation of the fixed asset property portfolio. The reserve is amortised over the lease of the property resulting in a transfer between revaluation reserve and unrestricted reserves.

UNIVERSITY OF DERBY THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023
15. Analysis of net assets between funds – current year

	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Revaluation reserve 2023 £	Total funds 2023 £
Tangible fixed assets	1,343,744	-	-	3,626,897	4,970,641
Current assets	1,632,811	414,355	1,934,228	-	3,981,394
Creditors due within one year	(1,042,501)	-	-	-	(1,042,501)
Creditors due over one year	(2,033,955)	-	-	-	(2,033,955)
Total	(99,901)	414,355	1,934,228	3,626,897	5,875,579

Analysis of net assets between funds – prior year

	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Revaluation reserve 2022 £	Total funds 2022 £
Tangible fixed assets	1,465,384	-	-	3,566,739	5,032,123
Current assets	1,665,545	573,674	1,342,607	-	3,581,826
Creditors due within one year	(914,051)	-	(114,213)	-	(1,028,264)
Creditors due over one year	(2,069,757)	-	-	-	(2,069,757)
Total	147,121	573,674	1,228,394	3,566,739	5,515,928

16. Operating lease commitments

At 31 July 2023, the theatre had commitments to make future minimum lease payments under non-cancellable operating leases for leased properties as follows:

	2023 £	2022 £
Amounts payable:		
Not later than 1 year	41,042	50,006
Later than 1 year and not later than 5 years	110,000	16,042
Later than 5 years	-	-
	<u>151,042</u>	<u>66,048</u>

17. Company status

The charitable company is a company limited by guarantee. At the year end, there were 11 trustees, each of whom, under the terms of the Memorandum and Articles of Association, has undertaken to contribute a maximum of £1 in the event of a winding up of the charitable company.

UNIVERSITY OF DERBY THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

18. Related party transactions

During the year, the charitable company transacted with its parent, University of Derby and fellow subsidiary, In Good Company Limited as follows:

	Income Received 2023 £	Expenditure incurred 2023 £	Balance at 31 July 23 £
University of Derby	887,477	110,002	(2,033,955)
In Good Company Limited	-	32,500	3,138

	Income Received 2022 £	Expenditure Incurred 2022 £	Balance at 31 July 22 £
University of Derby	828,659	102,131	(2,069,757)
In Good Company Limited	-	85,000	(32,242)

The charitable company has, or had, representation on the management boards of the following organisations:

	Income received by Derby Theatre 2023 (£)	Expenditure incurred by Derby Theatre 2023 (£)	Balance receivable / (payable) at 31 July 2023 (£)
Derby Museums	-	976	(144)
Derby QUAD Ltd	-	1,284	-
Artcore	-	29,800	-
Milk Presents Ltd	-	837	-
Maison Foo	-	1,439	-
Derby Book Festival	753	-	682

	Income received by Derby Theatre 2022 (£)	Expenditure incurred by Derby Theatre 2022 (£)	Balance receivable / (payable) at 31 July 2022 (£)
Derby Museums	-	2,040	-
Derby QUAD Ltd	-	35,101	(345)
Artcore	-	36,780	(10,500)
Maison Foo	-	40,272	-

19. Ultimate parent undertaking

The charitable company's ultimate controlling party is the University of Derby. Copies of the ultimate parent company's consolidated accounts can be obtained from the Secretary at Kedleston Road, Derby DE22 1GB.

20. Post Balance Sheet Event

In November 2023, Derby Theatre was awarded £10m funding from the Department of Levelling Up, Housing and Communities (DLUHC). This was half of a £20m fund previously awarded to build a new theatre in place of the fire-damaged Assembly Rooms in Derby, which unfortunately was not viable.

Derby Theatre will use these funds to create a new purpose-built studio theatre at the existing Derby Theatre site along with a revamped learning space. Funds will be utilised by March 2026.

UNIVERSITY OF DERBY THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

21. Prior period adjustment

An error was identified with the calculation of the theatre tax relief estimate in the prior year financial statements. As a consequence of correcting the amount receivable in the prior year, accrued income in the Balance Sheet has increased by £178,928 and income to charitable activities in the Statement of Financial Activities has increased by £178,928 to ensure they are both accurate.

In addition, an error was identified within the accrued costs in relation to the theatre tax claim in the prior financial statements. As a result of correcting the accrued liability in the prior year, accruals in the Balance Sheet have increased by £51,446 and cost of charitable activities have increased by £51,446 to ensure they are accurate.

	Reported at 31 July 2022	Adjustment	Restated at 31 July 2022
Debtors	£	£	£
Trade debtors	138,972	-	138,972
Amounts owed by group companies	-	-	-
Other debtors	55,462	-	55,462
Prepayments and accrued income	854,560	178,928	1,033,488
	1,048,994	178,928	1,227,922

	Reported at 31 July 2022	Adjustment	Restated at 31 July 2022
Creditors amounts falling due within one year	£	£	£
Trade creditors	165,090	-	165,090
Social security and other taxes	23,660	-	23,660
Accruals	641,613	51,446	693,059
Deferred income	114,213	-	114,213
Amounts due to group companies	32,242	-	32,242
	976,818	51,446	1,028,264

	Reported at 31 July 2022	Adjustment	Restated at 31 July 2022
Extract from Statement of Financial Activities	£	£	£
Income			
Charitable activities	1,523,877	178,928	1,702,805
Other cumulative income streams	2,139,864	-	2,139,864
	3,663,741	178,928	3,842,669
Expenditure			
Raising funds	(277,229)	-	(277,229)
Charitable activities	(4,345,710)	(51,446)	(4,397,156)
	(4,622,939)	(51,446)	(4,674,385)