

# **GRAEAE THEATRE COMPANY LIMITED**

(A Company Limited by Guarantee)

**FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**31 MARCH 2009**

**COMPANY REGISTRATION NUMBER: 1619794**



## CONTENTS

	Page
Report of the Trustees	3-12
Independent Auditors' Report	13
Statement of Financial Activities	14
Balance Sheet	15
Notes to the Financial Statements	16-22

Report of the Trustees for the year ended 31 March 2009

The Trustees present their report and the financial statements for the year ended 31 March 2009.

**Reference and administrative details**

<u>Charity number</u>	284589
<u>Company number</u>	1619794
<u>Registered office</u>	Bradbury Studios 138 Kingsland Road London E2 8DY

Directors and Trustees

The directors of the charity are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees who served during the year and since the year-end are as follows:

Emma Dunton  
Avis Johns  
Steve Mannix  
Judith Mellor (appointed on 3 September 2008)  
Steve Moffitt  
Jodi Myers  
Theresa Veith (appointed on 3 September 2008)

Secretary Judith Kilvington

Joint Chief Executive Officer  
and Artistic Director Jenny Sealey

Joint Chief Executive Officer  
and Executive Director Judith Kilvington

Report of the Trustees for the year ended 31 March 2009

Auditors

Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

Bankers

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

Lloyds TSB Bank plc  
140 Camden High Street  
Camden Town  
London NW1 0NG

## Report of the Trustees for the year ended 31 March 2009

### 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. There are currently seven 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 12 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. Graeae aims always to hold a significant majority of disabled Trustees and to have a disabled Chair.

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

#### Trustee induction and training

New Trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making process, the business plan and recent financial performance of the charity. During the day they meet key employees and other Trustees. Board Away Days are held on average once a year so that the company's key aims and objectives can be discussed and reviewed. Trustees are also encouraged to attend all productions and appropriate training events.

#### Organisation

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

There are currently two sub-committees:

- the 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 and support to company officers with a responsibility for financial management
- the Capital Project sub-committee, established in 2007, which meets as required during the course of the project to:
  - make decisions, where appropriate, in the best interests of the company on behalf of the Board
  - provide regular feedback on project progress to the Board.

The Joint Chief Executives, Jenny Sealey and Judith Kilvington, are appointed by the Trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executives delegate authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment, fundraising, the Capital Project and the artistic, training and educational output of the charity.

#### Risk management

The Trustees periodically review the major external risks to which the charity is exposed and have 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.

A key element in the management of financial risk is the setting of a reserves policy and its regular review by the Trustees, alongside detailed monitoring of cash flow and fundraising targets.

## Report of the Trustees for the year ended 31 March 2009

### Objectives and activities

Graeae is a world leader in developing and promoting disabled-led theatre for a wide-ranging disabled and non-disabled audience using creative and accessible processes. With over 28 years' experience, the company is now uniquely positioned to showcase the excellence of disabled artists from our new home, the Bradbury Studios, in the London Borough of Hackney to venues and audiences across the UK and onwards to international stages as we position ourselves at the heart of the Cultural Olympiad in the run up to 2012. Recent critically acclaimed productions have firmly placed Graeae as a force for change in British theatre with our distinctive approach to integrating sign language and audio descriptive text creating a radical new theatrical language.

Our vision is to create a new dramatic language that demolishes the barriers to the performance and appreciation of theatre.

Our mission is to produce trailblazing, world-class theatre placing D/deaf and disabled people centre stage, challenging assumptions through a high quality, dynamic and diverse artistic programme.

Our four key strategic objectives are:

- **World-class theatre:** creating and touring high quality, high impact theatre that is unmistakably Graeae's, providing a platform for the skill, vision and excellence of disabled artists
- **Training and education:** creating a programme of inclusive training and education activities which engages, inspires and nurtures emerging and professional disabled artists
- **Championing accessibility:** creating, operating, supporting and advising on accessible environments and practice
- **Excellence in governance:** developing excellent governance across the company through robust policies, procedures and practice.

In promoting and producing world-class theatre, led by disabled directors, writers and performers, Graeae seeks to dismantle barriers to employment in the arts for disabled people across the UK. Despite legislative progress and slowly shifting attitudes, there remains a lack of recognition of the talents of disabled people. Our programme of work seeks to address this through our productions which showcase the skills of disabled performers. Our productions, through their creative use of sign language and audio description, also open up theatre to disabled audiences, particularly blind and deaf audiences, ensuring that all members of the public benefit from access to the arts. Where possible, we ensure that ticket prices for disabled audience members are subsidised and we only tour shows to venues across England which have a high standard of access for disabled people.

Enabling equal participation in the arts to ensure that the arts we create reflect the full diversity of our society is a long-term objective. Our professional development training programmes provide accessible and inclusive opportunities for aspiring actors, directors and writers with physical and sensory impairments to learn the skills they need in order to take their place on UK stages alongside their non-disabled counterparts. Our training programmes are largely free, in recognition of the economic barriers often faced by disabled people, or significantly subsidised and are open to disabled artists throughout the UK. Travel and accommodation costs are also covered where possible, for beneficiaries outside London.

Our outreach programme actively engages a new generation of disabled and non-disabled artists in performance through young people's theatre and education projects. By leading workshops and through their performance in our productions our disabled artists and workshop leaders act as important role models for young participants, raising aspirations and proving that a career in the arts is possible for all. We believe that with our 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 all people benefit from the arts.

The company continues to advocate equality for all deaf and disabled artists and their right to participate in all aspects of society. Despite the impact of the Disability Discrimination Act, in reality, access is still very uneven in the arts. Most spaces provide only limited levels of accessibility, can cope with only a small number of

## Report of the Trustees for the year ended 31 March 2009

### Objectives and activities (cont'd)

disabled artists and technicians at any one time, and are capable of dealing with only a limited range of impairments. Graeae continues to champion access in a number of ways: through promoting accessible environments with the Bradbury Studios a model of best practice in inclusive design; through the delivery of theatre which reaches out to deaf, blind and disabled audiences as well as non-disabled ones; through our accessible and inclusive training and outreach programmes; through our promotion of accessible marketing and teaching materials and through our advocacy work with mainstream organisations.

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

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

We have referred to the Charity Commission's guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees have considered how planned activities will contribute to the aims and objectives they have set.

During the year, our major activities have been:

- Artistic - a revival of *Whiter than Snow* and the development of our new street arts programme
- Training, education and outreach - investment in our disabled artists' professional development programme and the *Whiter than Snow* outreach programme
- Capital project - continuation of the work on the Bradbury Studios, successfully completed in summer 2009.

Our programme of activities described below continues to engage more disabled people in the arts, both as audience members and practitioners, and to introduce a greater number of young disabled and non-disabled people to inclusive theatre. Our work focuses on dismantling physical, attitudinal and economic barriers to disabled people's participation in the arts by setting up training and employment opportunities and working in collaboration with other theatres and educational institutions.

### Achievements and performance

Graeae has had a very successful year, achieving high standards in the quality of its productions, continuing to invest in a wide range of training and education activities and completing a fundraising campaign for the Bradbury Studios.

#### Artistic activities

##### *Whiter than Snow* - Revival

*Whiter than Snow*, a fresh take on the Snow White fairy tale, opened at the New Wolsey Theatre in Ipswich and toured for four weeks to Unicorn Theatre for Young People London, West Yorkshire Playhouse Leeds and The North Wall Arts Centre Oxford.

Alongside the production we developed our most ambitious workshop programme to date. The free programme was aimed specifically at young people and was particularly successful in London. Performances achieved 85% capacity, with approximately 80% of the young people having attended our pre-show workshops.

The appeal of the production to young people and also to a wider audience was recognised by outstanding reviews in the press including its nomination for Critics' Choice in *Time Out*.

##### *Hunchback of Notre Dame*

The *Hunchback of Notre Dame* was a major new initiative where for the first time we collaborated with Radio 4's Classic Series which attracts an average of one million listeners each week. Two disabled writers were commissioned to adapt the novel. Significantly, the production cast a deaf actor in the role of Quasimodo, providing a radical reinterpretation of the classic.

## Report of the Trustees for the year ended 31 March 2009

### Achievements and performance (cont'd)

Our access to a sizeable new audience was evidenced by more than double the number of hits to our website following the broadcast, and very positive feedback in emails and letters to the company.

We are currently in discussion with the BBC regarding future adaptations which place a sensory communication or disability ethos within the narrative.

*Street Arts: The Medal Ceremony and The Rhinestone Rollers*

Our street arts programme, launched in 2008, gives disabled artists an unparalleled opportunity to engage in popular culture, reaches large numbers of people, and has a major impact on a range of communities who do not usually attend Graeae productions. We created two new outdoor spectacles - *The Medal Ceremony* and *The Rhinestone Rollers*.

*The Medal Ceremony* brought together Graeae with Australian Sway Pole Company, Strange Fruit, in a performance which celebrated athletic achievement and explored the emotional and physical response to winning through music and signed song. We attracted audiences of more than 10,000 people at the Greenwich and Docklands International Festival and Liberty, the Mayor of London's celebration of disabled artists.

*The Rhinestone Rollers* are a company of eight electric wheelchair-using female line dancers who bring a fresh and witty take on a traditional country and western dance. Following the success of their first performances, which attracted audiences of around 1,500 people at Liberty, they were invited to form part of the celebrations of the Olympic and Paralympic Handover in Hackney.

### Training, education and outreach

#### *Whiter than Snow* Outreach

Our disabled-led outreach programme on *Whiter than Snow* explored the complex issues of genetic engineering and the social model of disability through a total of 75 workshops. These covered 23 schools, four higher education institutions and 17 informal education groups which were attended by over 1,500 disabled and non-disabled young people.

#### Professional development programmes

Our professional development programme has continued to support over 50 emerging artists through:

- one-day research and development labs
- an intensive training and mentoring scheme, *Training the Trainer*, for artists interested in working in young people's theatre
- skills-based acting workshops
- our associate artists programme which looks to provide bespoke training and employment opportunities for the leaders of the future.

#### Work in drama schools

We also continued our work with drama schools to develop inclusive theatre practice and to address the low level of disabled people attending performing arts' institutions. We completed our project, *Into the Scene*, funded by the Arts Council England. The symposium, held at the end of the project at Central School of Speech and Drama for drama tutors, academics and theatre practitioners, recognised the importance of drama schools taking over responsibility for accessible theatre training from disabled-led charities.

One of our major achievements during the year has been the production of a Teachers' Manual and DVD which documents Graeae's learning in the field of inclusive theatre practice over the last ten years. The manual provides a tool for learning which can be disseminated across the sector, and added to, as we gain a more detailed understanding of full and equal access and participation in theatre training.

## Report of the Trustees for the year ended 31 March 2009

### Achievements and performance (cont'd)

#### Bradbury Studios

Our £2.6 million capital project provides us with the opportunity to enter a new phase, with a high profile office, rehearsal space and meeting areas, specifically designed with and for all artists, disabled and non-disabled. At the end of June, following completion of the construction works, we moved in to our new offices.

The Bradbury Studios incorporate one of the most sophisticated responses ever made in this country to the right of disabled people to gain equal treatment in their work, training and professional practice, turning what is often considered an onerous obligation within the arts world, such as compliance with the Disability Discrimination Act, into a positive, creative force in its own right. It will:

- enable disabled artists to design their own creative space, participate positively in the craft and practice of theatre-making and make a long-term contribution to its future development
- encourage debate and act as a development tool for new projects and schemes
- achieve a completely new level of creative integration between disabled and non-disabled theatre practitioners.

Strategically placed at the heart of one of the five Olympic boroughs, Graeae will also be in a position to champion an accessible and inclusive approach to the cultural and educational programme surrounding the Olympics and Paralympics.

The project has been financed by a £2.03 million grant from Arts Council England through the national lottery programme. Other grants and donations to fund the project have been provided by a number of supporters including:

- The Bradbury Foundation - £200,000
- The Clothworkers' Company - £50,000
- The John Ellerman Foundation - £30,000
- The Wolfson Foundation - £25,000

### Financial review

#### Income

Total income for the year amounted to £2,362,186 (2008: £991,144) of which £1,958,613 (2008: £811,395) related to grants received without which Graeae could not generate the range and volume of production work and training and education activity.

The charity's principal funding source during the year was Arts Council England who provided core revenue funding of £564,097 (2008: £549,267).

The charity also received funds of £113,231 (2008: £90,355) from the Department of Work and Pensions "Access to Work" scheme. This scheme enables the charity to reclaim some of the additional costs incurred in setting up and providing specific work-related access support.

As noted above, Graeae continued work on the capital project for which it received a grant of £1,276,556 (2008: £143,440) from ACE through the national lottery programme. Additional grants and donations from a number of other donors amounting to £328,694 were received during the year.

Other income relates primarily to box office, venue and co-production fees (£23,652), fees from training and workshops (£24,338) and investment income (£17,660).

#### Expenses

Total expenses have increased from £691,647 for the year ended 31 March 2008 to £747,783 in 2008-09. The increase reflects the investment in the street arts programme, *Whiter than Snow* outreach programme and a higher level of administrative costs as the company expands.

## Report of the Trustees for the year ended 31 March 2009

### Financial review (cont'd)

#### Reserves policy

Reserves at 31 March 2009 were as follows:

#### *Restricted funds*

Restricted funds at 31 March 2009 amounted to £1,734,463 (2008: £136,315) and relate to the new building fund set up for funding received in the development of the Bradbury Studios.

#### *Designated funds*

Designated funds at 31 March 2009 include:

- Artistic fund of £45,000 (2008: £45,000)  
The artistic fund is to allow the company to develop a more strategic and ambitious programme in the future.
- Training and education fund of £50,000 (2008: £80,000)  
The training and education fund is to enable the company to continue to diversify its training programme for a range of disabled artists and aspiring actors. The expenditure during the year of £30,000 was to support the *Whiter than Snow* outreach programme.
- Marketing fund of £9,000 (2008: £9,000)  
The marketing fund is to cover marketing and publicity costs of future projects.
- Strategic development fund of £15,000 (2008: £15,000)  
The strategic development fund is to cover investment in succession planning, skills' development and fundraising activities.
- Fixed asset fund of £25,632 (2008: £29,381)  
The fixed asset fund is to cover the cost of replacing fixed assets. The expenditure for the year represents depreciation on assets purchased through the fund.
- Capital project development fund of £82,000 (2008: £82,000)  
The capital project development fund is to cover part of the development costs and to build a contingency for the Bradbury Studios.
- Sinking fund of £10,000 (2008: £nil)  
A sinking fund has been set up in 2008-09 to cover equipment maintenance, general wear and tear of the new building and unplanned maintenance.
- New building operational fund of £10,000 (2008: £nil)  
The new building operational fund has been set up in 2008-09 to provide for the anticipated increase in rental from year 5 of the lease.

#### *Unrestricted funds*

Unrestricted funds at 31 March 2009 amounted to £113,133 (2008: £83,129). The Trustees have established a policy whereby the unrestricted funds held by the charity should be a minimum of two months of operating costs.

This equates to approximately £64,000 in general funds at current staffing levels. The balance at 31 March 2009 represents around three and a half months of operating costs.

## Report of the Trustees for the year ended 31 March 2009

### Plans for future periods

The main focus of the next year will be to establish the company in our new headquarters and to promote its facilities for disabled and non-disabled artists throughout the UK.

### Productions and other artistic activities

We are planning a schools' tour in Hackney and the other four Olympic Boroughs of *Just Me Bell* by Sophie Partridge, an emerging disabled writer. This will engage 1,500 young people in an interactive piece of theatre and is part of our longer-term objective of establishing sustainable relationships with young people in London.

We are also planning a co-production with Theatre Royal Stratford East, *Signs of a Diva*, a signed song extravaganza, which will tour to small scale venues in spring 2010. This will introduce Graeae to a new audience as we work towards our mid-scale tour of the Ian Dury musical, *Sex and Drugs and Rock 'n Roll* in autumn 2010 at Stratford East.

### Training, education and outreach

As part of our investment in street arts work, we will be running training programmes for up to 40 disabled artists in sway pole performance, harness and cocoon work, signed song, line-dancing and audio description. The training has led to performances at:

- Greenwich and Docklands International Festival in June 2009
- CREATE 09 in July as part of the Barbican International Theatre Events (BITE) season at Gillett Square in Hackney
- Liberty, the leading festival celebrating disabled artists, held in Trafalgar Square, in September.

We will continue to invest in the development of our pool of twelve Associate Artists and other emerging artists, through a range of training programmes including professional development workshops for actors and research and development opportunities connected to our productions and masterclasses. Our Associates will continue to act as advocates for Graeae and deliver artistic, training and education programmes with us.

### Statement of Trustees' Responsibilities

The trustees (who are also directors of Graeae Theatre Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the 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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Report of the Trustees for the year ended 31 March 2009

**Statement of Trustees' Responsibilities (cont'd)**

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditors**

Kingston Smith LLP have been appointed as auditors to the company and a resolution to re-appoint them will be proposed at the AGM.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 8 September 2009 and signed on its behalf by:



Steve Mannix  
Chair

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAEAE THEATRE COMPANY LIMITED

We have audited the financial statements of Graeae Theatre Company for the year ended 31 March 2009 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007)

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the charity's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective Responsibilities of Trustees and Auditors

The responsibilities of the trustees (who are also the directors of Graeae Theatre Company for the purposes of company law) for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Trustees' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of Audit Opinion

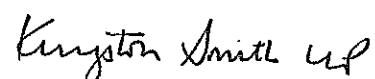
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charity's affairs as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information provided in the Trustees' Annual Report is consistent with the financial statements.



Kingston Smith LLP  
Chartered Accountants  
and Registered Auditors

Devonshire House  
60 Goswell Road  
London EC1M 7AD  
Date: 18 September 2009

Statement of Financial Activities  
For the Year Ended 31 March 2009

	Notes	Restricted Funds	Unrestricted Funds		Total Funds 2009	Total Funds 2008
		£	General	Designated	£	£
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
<i>Voluntary income:</i>						
Grants and donations	2	296,615	564,097	-	860,712	607,923
Investment income	3	-	17,660	-	17,660	20,896
		<u>296,615</u>	<u>581,757</u>	<u>-</u>	<u>878,372</u>	<u>628,819</u>
<i>Incoming resources from charitable activities:</i>						
Productions, training and other projects	4	1,432,501	49,170	-	1,481,671	359,096
<i>Other incoming resources</i>		-	2,143	-	2,143	3,229
		<u>-</u>	<u>2,143</u>	<u>-</u>	<u>2,143</u>	<u>3,229</u>
<b>Total incoming resources</b>		<u>1,729,116</u>	<u>633,070</u>	<u>-</u>	<u>2,362,186</u>	<u>991,144</u>
<b>Resources expended</b>						
<i>Costs of generating funds:</i>						
Costs of generating voluntary income	5	-	41,182	-	41,182	29,343
<i>Charitable activities:</i>						
Productions, training and other projects	6	130,454	508,778	-	639,232	616,927
<i>Governance costs</i>	5	-	67,369	-	67,369	45,377
		<u>-</u>	<u>67,369</u>	<u>-</u>	<u>67,369</u>	<u>45,377</u>
<b>Total resources expended</b>		<u>130,454</u>	<u>617,329</u>	<u>-</u>	<u>747,783</u>	<u>691,647</u>
<b>Net incoming resources before transfers</b>	8	1,598,662	15,741	-	1,614,403	299,497
<b>Transfers</b>						
Gross transfers between funds	12	(514)	14,263	(13,749)	-	-
		<u>(514)</u>	<u>14,263</u>	<u>(13,749)</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds for the year</b>		<u>1,598,148</u>	<u>30,004</u>	<u>(13,749)</u>	<u>1,614,403</u>	<u>299,497</u>
<b>Reconciliation of funds</b>						
Total funds brought forward	12	136,315	83,129	260,381	479,825	180,328
		<u>136,315</u>	<u>83,129</u>	<u>260,381</u>	<u>479,825</u>	<u>180,328</u>
<b>Total funds carried forward</b>	12	<u>1,734,463</u>	<u>113,133</u>	<u>246,632</u>	<u>2,094,228</u>	<u>479,825</u>

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

All incoming resources and resources expended derive from continuing activities.

Graeae Theatre Company Limited  
(A Company Limited by Guarantee)

Balance Sheet at 31 March 2009

	Notes	2009	2008
		£	£
<b>Tangible Fixed Assets</b>	9	1,568,569	149,908
<b>Current Assets</b>			
Debtors	10	253,701	119,867
Cash at bank and in hand		578,995	297,744
		<hr/>	<hr/>
		<b>832,696</b>	<b>417,611</b>
<b>Creditors: amounts falling due within one year</b>	11	307,037	87,694
<b>Net Current Assets</b>		<b>525,659</b>	<b>329,917</b>
		<hr/>	<hr/>
<b>Total Assets less Current Liabilities</b>		<b>2,094,228</b>	<b>479,825</b>
		<hr/>	<hr/>
<b>Represented by:</b>			
<b>Restricted Funds</b>	12	1,734,463	136,315
<b>Unrestricted Funds</b>			
General	12	113,133	83,129
Designated	12	246,632	260,381
		<hr/>	<hr/>
		<b>2,094,228</b>	<b>479,825</b>
		<hr/>	<hr/>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective January 2007).

Approved by the Board on 8 September 2009 and signed on its behalf by



Steve Mannix  
Chair

## 1 ACCOUNTING POLICIES

### (a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005.

### (b) Grants receivable

Grants receivable are credited to the Statement of Financial Activities in the year for which they are received. Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received.

### (c) Resources expended

Resources expended are accounted for on an accruals basis.

Core staff costs, office administrative expenses and overheads are allocated to the costs of generating voluntary income, charitable activities and governance on the basis of time spent by staff on these activities.

### (d) 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:

Computer equipment	3 years
Production equipment	4 years
Motor vehicles	4 years
Office equipment	4 years

The company has acquired a new building in Hackney under a 30 year lease. Costs incurred during the year which are directly attributable to bringing the new building into working condition for its intended use are capitalised. No depreciation will be provided until the asset is brought into use.

### (e) 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 income and expenditure account.

### (f) Productions

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 revenue being generated.

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.

Notes to the Financial Statements  
For the Year Ended 31 March 2009 (cont'd)

## 2 VOLUNTARY INCOME

	Restricted	Unrestricted	2009 Total	2008 Total
	£	£	£	£
Arts Council England (ACE)	-	564,097	564,097	549,267
Access to Work - administration	75,246	-	75,246	58,586
Donations	221,369	-	221,369	70
<b>Total voluntary income</b>	<b>296,615</b>	<b>564,097</b>	<b>860,712</b>	<b>607,923</b>

## 3 INVESTMENT INCOME

All of the company's investment income arises from interest-bearing deposit accounts.

## 4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted	Unrestricted	2009 Total	2008 Total
	£	£	£	£
<b>Productions:</b>				
Box office and venue fees	-	19,434	19,434	14,163
Co-production fees	-	4,218	4,218	25,241
Merchandise sales	-	1,030	1,030	1,395
Workshop fees	-	150	150	50
Access to Work	16,789	-	16,789	24,566
<b>Total productions</b>	<b>16,789</b>	<b>24,832</b>	<b>41,621</b>	<b>65,415</b>
<b>Training:</b>				
Fees from training and workshops	-	24,338	24,338	24,350
<b>Grants:</b>				
City Parochial Foundation	-	-	-	3,500
Learning and Skills Council	-	-	-	39,716
City Bridge Trust	-	-	-	4,700
ACE - Into the Scene	-	-	-	47,000
London Metropolitan University Development Fund	-	-	-	1,230
Livability (formerly Grooms-Shaftesbury)	-	-	-	22,542
Doris Field Charitable Trust	1,000	-	1,000	-
Discover Young Hackney	1,500	-	1,500	-
Austin and Hope Pilkington Trust	3,000	-	3,000	-
Access to Work	21,196	-	21,196	7,203
<b>Total training</b>	<b>26,696</b>	<b>24,338</b>	<b>51,034</b>	<b>150,241</b>
<b>Other projects:</b>				
<b>Grants:</b>				
ACE - capital project	1,276,556	-	1,276,556	143,440
The Camelot Foundation Limited	2,000	-	2,000	-
The Hackney Parochial Charities	2,000	-	2,000	-
The D'Oyly Carte Charitable Trust	3,000	-	3,000	-
Bruce Wake Charitable Trust	10,000	-	10,000	-
Awards for All	10,000	-	10,000	-
Hedley Foundation Limited	2,000	-	2,000	-
The Percy Bilton Charity	460	-	460	-
The Goldsmith's Company	3,000	-	3,000	-
The John Ellerman Foundation	30,000	-	30,000	-
The Clothworkers' Company	50,000	-	50,000	-
<b>Total other projects</b>	<b>1,389,016</b>	<b>-</b>	<b>1,389,016</b>	<b>143,440</b>
<b>Total incoming resources from charitable activities</b>	<b>1,432,501</b>	<b>49,170</b>	<b>1,481,671</b>	<b>359,096</b>
UK total	1,432,501	49,170	1,481,671	355,185
Overseas fees	-	-	-	3,911
	<b>1,432,501</b>	<b>49,170</b>	<b>1,481,671</b>	<b>359,096</b>

Notes to the Financial Statements  
For the Year Ended 31 March 2009 (cont'd)

5 COSTS OF GENERATING VOLUNTARY INCOME AND GOVERNANCE COSTS

	Allocated to costs of generating voluntary income £	Governance £	2009 Total £	2008 Total £
Core staff costs	33,513	16,145	49,658	30,560
Office administrative expenses and overheads	7,669	20,155	27,824	19,696
Accountancy services	-	24,669	24,669	21,014
External audit	-	6,400	6,400	3,450
<b>Total</b>	<b>41,182</b>	<b>67,369</b>	<b>108,551</b>	<b>74,720</b>

6 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

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

	Productions/ other artistic £	Training and outreach £	Other projects £	2009 Total £	2008 Total £
Actors' wages and relocation	35,812	-	-	35,812	58,390
Access costs	17,115	21,273	275	38,663	35,375
Other production costs	53,503	-	-	53,503	76,343
Marketing costs	29,144	1,000	3,628	33,772	16,531
Training and outreach	18,839	96,024	-	114,863	175,974
Capital Project design and preconstruction costs	-	-	11,520	11,520	7,125
Other staff costs	107,634	102,252	25,890	235,776	137,245
Office administrative expenses and overheads	51,125	48,569	15,629	115,323	109,944
<b>Total</b>	<b>313,172</b>	<b>269,118</b>	<b>56,942</b>	<b>639,232</b>	<b>616,927</b>

Notes to the Financial Statements  
For the Year Ended 31 March 2009 (cont'd)

7 ANALYSIS OF STAFF COSTS

	Total 2009 £	Total 2008 £
Salaries and wages	331,286	258,285
Social security costs	32,433	25,016
Pension costs	13,891	11,828
	<u>377,610</u>	<u>295,129</u>

There were no employees during the year with emoluments above £60,000. The trustees were not paid during the year.

The company operates a defined contribution pension scheme. At 31 March 2009, there were 8 members of staff with retirement benefits accruing under this scheme.

The average number of full-time equivalent employees (including casual and part-time staff) during the year was 11 (2008: 9).

8 NET INCOMING RESOURCES BEFORE TRANSFERS

	2009 £	2008 £
Net incoming resources before transfers are stated after charging:		
Depreciation	5,377	10,183
Auditors' remuneration	6,400	3,450
	<u>6,400</u>	<u>3,450</u>

9 TANGIBLE FIXED ASSETS

	Computer Equipment £	Production Equipment £	Motor Vehicles £	Office Equipment £	Building In Progress £	Total £
<b>COST</b>						
At 1 April 2008	31,144	16,591	69,404	17,362	136,315	270,816
Additions	3,700	1,682	-	-	1,418,656	1,424,038
At 31 March 2009	<u>34,844</u>	<u>18,273</u>	<u>69,404</u>	<u>17,362</u>	<u>1,554,971</u>	<u>1,694,854</u>
<b>DEPRECIATION</b>						
At 1 April 2008	28,355	6,914	69,404	16,235	-	120,908
Charge for the year	1,606	3,405	-	366	-	5,377
At 31 March 2009	<u>29,961</u>	<u>10,319</u>	<u>69,404</u>	<u>16,601</u>	<u>-</u>	<u>126,285</u>
<b>NET BOOK VALUES</b>						
At 31 March 2009	<u>4,883</u>	<u>7,954</u>	<u>-</u>	<u>761</u>	<u>1,554,971</u>	<u>1,568,569</u>
At 31 March 2008	<u>2,789</u>	<u>9,677</u>	<u>-</u>	<u>1,127</u>	<u>136,315</u>	<u>149,908</u>

Notes to the Financial Statements  
For the Year Ended 31 March 2009 (cont'd)

10 DEBTORS

	2009 £	2008 £
Trade debtors	111,169	24,539
Other debtors and prepayments	142,532	95,328
	<hr/>	<hr/>
	<b>253,701</b>	<b>119,867</b>
	<hr/>	<hr/>

11 CREDITORS: AMOUNTS FALLING DUE  
WITHIN ONE YEAR

Trade creditors	232,450	34,741
Other taxes and social security	16,861	6,864
Deferred income	28,833	-
Other creditors and accruals	28,893	46,089
	<hr/>	<hr/>
	<b>307,037</b>	<b>87,694</b>
	<hr/>	<hr/>

12 MOVEMENTS IN FUNDS

	At 1 April 2008 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2009 £
<b><u>Restricted funds</u></b>					
New building fund	136,315	1,587,367	-	-	1,723,682
Capital project - non capital expenditure	-	15,423	(15,423)	-	-
Access equipment grants	-	7,595	-	-	7,595
Access to Work grant (general)	-	109,531	(109,531)	-	-
Access to Work grant (computer equipment)	-	3,700	-	(514)	3,186
<i>Whiter than Snow</i> outreach	-	5,500	(5,500)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total restricted funds</b>	<b>136,315</b>	<b>1,729,116</b>	<b>(130,454)</b>	<b>(514)</b>	<b>1,734,463</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b><u>Unrestricted funds</u></b>					
<b>General funds</b>	<b>83,129</b>	<b>633,070</b>	<b>(617,329)</b>	<b>14,263</b>	<b>113,133</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b><u>Designated funds</u></b>					
Artistic fund	45,000	-	-	-	45,000
Training and education fund	80,000	-	-	(30,000)	50,000
Marketing fund	9,000	-	-	-	9,000
Strategic development fund	15,000	-	-	-	15,000
Fixed asset fund	29,381	-	-	(3,749)	25,632
Capital project development fund	82,000	-	-	-	82,000
Sinking fund	-	-	-	10,000	10,000
New building operational fund	-	-	-	10,000	10,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total designated funds</b>	<b>260,381</b>	<b>-</b>	<b>-</b>	<b>(13,749)</b>	<b>246,632</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds</b>	<b>479,825</b>	<b>2,362,186</b>	<b>(747,783)</b>	<b>-</b>	<b>2,094,228</b>
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Notes to the Financial Statements  
For the Year Ended 31 March 2009 (cont'd)

12 MOVEMENTS IN FUNDS (cont'd)

Restricted funds

*New building fund*

The new building fund was set up in 2007-08 for funding received in the development of the new building.

*Access equipment grants*

This fund was set up for funding received to cover the purchase of access equipment.

*Department for Work & Pensions (DWP) - computer equipment*

This fund was set up for funding received from DWP to cover the purchase of accessible computer equipment and software for use by disabled staff.

Unrestricted funds

*General funds*

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

*Artistic fund*

An artistic fund was set up in 2006-07 to allow the company to develop a more strategic and ambitious programme in the future.

*Training and education fund*

A training and education fund was set up in 2007-08 to enable the company to continue to diversify its training programme for a range of disabled artists and aspiring actors. The expenditure during the year of £30,000 was to support the *Whiter than Snow* outreach programme.

*Marketing fund*

A marketing fund was set up in 2006-07 to cover marketing and publicity costs of future projects.

*Strategic development fund*

A strategic development fund was set up in 2006-07 to cover investment in succession planning, skills' development and fundraising activities.

*Fixed asset fund*

The fixed asset fund is to cover the cost of replacing fixed assets. The expenditure for the year represents depreciation on assets purchased through the fund.

*Capital project development fund*

The capital project development fund was set up to cover part of the development costs and to build a contingency for the new building.

*Sinking fund*

The sinking fund has been set up to cover equipment maintenance, general wear and tear of the new building and unplanned maintenance.

*New building operational fund*

The new building operational fund has been set up to provide for the anticipated increase in rental from year 5 of the lease.

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Tangible fixed assets	1,558,157	10,412	1,568,569
Current assets	412,169	420,527	832,696
Current liabilities	(235,863)	(71,174)	(307,037)
	<hr/>	<hr/>	<hr/>
	1,734,463	359,765	2,094,228
	<hr/>	<hr/>	<hr/>

#### 14 CAPITAL COMMITMENTS

Capital commitments were as follows:

	2009	2008
	£	£
Authorised and contracted for at 31 March	1,278,383	1,235,170
Authorised but not contracted for at 31 March	-	1,085,450
	<u>1,278,383</u>	<u>2,320,620</u>

#### 15 OPERATING LEASE COMMITMENTS

At 31 March 2009, the charity was committed to making the following payments under non cancellable operating leases in the year to 31 March 2010:

	2009	2008
	£	£
<b>Land and buildings</b>		
Operating leases which expire:		
In over five years:	13,763	-
<b>Plant and machinery</b>		
Operating leases which expire:		
Between two and five years	3,195	-

#### 16 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. 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.

#### 17 RELATED PARTY TRANSACTIONS

Jodi Myers was a director at Central School of Speech and Drama since October 2008. During the year, Graeae made a contribution of £1,000 towards the cost of dissemination of a symposium.

Reimbursement of Trustees' expenses was as follows.

1. Steve Mannix - £191.30 (2008: £64) in respect of travel expenses and hospitality
2. Theresa Veith - £114.80 (2008: £nil) in respect of travel expenses

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