

GRAEAE THEATRE COMPANY LIMITED

(A Company Limited by Guarantee)

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 MARCH 2011

COMPANY REGISTRATION NUMBER: 1619794

CHARITY REGISTRATION NUMBER: 284589



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

CONTENTS

	Page
Report of the Trustees	2-9
Independent Auditors' Report	10-11
Statement of Financial Activities	12
Balance Sheet	13
Notes to the Financial Statements	14-21

Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Report of the Trustees for the year ended 31 March 2011

The Trustees present their report and the financial statements for the year ended 31 March 2011.

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
Dr Dawn Langley (Chair)
Steve Mannix (resigned 22 April 2010)
Judith Mellor, OBE
Steve Moffitt (resigned 22 April 2010)
Jodi Myers
Theresa Veith

<u>Secretary</u>	Judith Kilvington
<u>Joint Chief Executive Officer and Artistic Director</u>	Jenny Sealey, MBE
<u>Joint Chief Executive Officer and Executive Director</u>	Judith Kilvington

Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Report of the Trustees for the year ended 31 March 2011

Reference and administrative details (cont'd)

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

Barclays Bank plc
99 Hatton Garden
London EC1N 8DN

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 six 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.

Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Report of the Trustees for the year ended 31 March 2011

Structure, governance and management (cont'd)

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

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, 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.

The Board has adopted the NCVO Code of Governance.

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 30 years' experience, the company is now uniquely positioned to showcase the excellence of disabled artists from our 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.

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.

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.

Report of the Trustees for the year ended 31 March 2011

Objectives and activities (cont'd)

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 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.

During the year, our major activities have been:

- one new mid-scale production – *Reasons to be Cheerful*
- the development of our outdoor theatre work with a new commission, *The Garden*, a revival of *Against The Tide* and a new production by *The Rhinestone Rollers*
- investment in our disabled artists' professional development programme and outreach work alongside *The Garden* and *Reasons to be Cheerful*.

Our programme of activities described below continues to engage more disabled people in the arts, both as audience members and practitioners, particularly through our outdoor work, and to introduce a greater number of young disabled and non-disabled people to accessible 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.

Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Report of the Trustees for the year ended 31 March 2011

Achievements and performance

Artistic activities

Reasons to be Cheerful

Reasons to be Cheerful by Paul Sirett, Graeae's first musical, is a tribute to its former Patron, Ian Dury. This coming of age tale set in 1979 featured classics from 'Sex and Drugs and Rock and Roll' to 'Spasticus Autisticus'.

During its four week run it reached audiences of over 6,000 with 95% capacity at New Wolsey Theatre in Ipswich and approximately 75% at the Theatre Royal Stratford East. Jenny Sealey's direction of this multi-faceted production was greeted enthusiastically by audiences and critics alike.

Reasons to be Cheerful - The Musical is a Graeae Theatre-Company triumph. The BBC-banned 'Spasticus Autisticus' is joyfully defiant [...] The stage gives off a million volts. *The Guardian*

The Garden

The Garden, commissioned by 2012 *Unlimited*, the cultural programme supporting the Olympic and Paralympic Games, was Graeae's second co-production with Strange Fruit, the Melbourne-based sway pole company. The production showcased the skills developed by Graeae performers on sway poles under the direction of Jenny Sealey and Strange Fruit Associate Director, Grant Mouldey. There were eight performances at Greenwich+Docklands International Festival which attracted audiences of around 3,500.

It is a simple piece of illustrated story-telling, introduced with lilting song, spoken and signed, with four benevolent moral guardians swaying skilfully as part of the action of huge bendy poles set around the stage. *British Theatre Guide*

Against the Tide (revival)

Against the Tide was revived for a new festival 'IF' in Milton Keynes and for *Watch This Space* at the Royal National Theatre. Aerial performance by artists on the top of four metre high sway poles evoked the movement of water and the ebb and flow of the tides, whilst a specially created musical soundscape, audio description and sign language interpretation created an epic elemental environment. The two very different spaces highlighted the adaptability of the design and narrative, reaching out across fields to 3,700 people in Milton Keynes and approximately 4,000 spectators at the South Bank.

Astoundingly beautiful performance. Seemed to come from a different universe altogether. Perfect show. *Milton Keynes Audience Member*

All productions are filmed for documentation purposes and, as part of this process, audiences are asked to comment on the artistic vision, accessible features and overall production standards.

Development, training and outreach

Street Arts

Building on our previous street arts training to profile the skills of disabled artists in and around the 2012 Olympics and Paralympics Cultural Olympiad programmes, we have set up a training programme with The Circus Space, the internationally renowned circus and aerial training provider. Over the last year, ten artists have completed two semesters of training in silks, single point trapeze and flying trapeze skills.

Continuing our commitment to dance training, *The Rhinestone Rollers*, our company of power wheelchair-using female line dancers, were invited back to perform at Gillett Square in Hackney as part of Dance Nations and at the Liberty Festival in Trafalgar Square. The new piece, funded by City Bridge Trust, incorporated a witty and unique take on folk dancing, the Can Can and Swan Lake.

Outreach programme

The extensive workshop programme for *The Garden*, *Reasons to be Cheerful* and *The Iron Man* has enabled Graeae to engage with 1,510 young people in formal and informal settings across London, the South East and Suffolk.

Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Report of the Trustees for the year ended 31 March 2011

Achievements and performance (cont'd)

Continuing Professional Development and Emerging Artists

In the second year of our funding from Esmée Fairbairn and Trust for London we have continued to deliver CPD to disabled actors with partners including Circus Space, the Royal Shakespeare Company, The Actors Centre and BBC Radio and TV. During the year we ran four week-end workshops for up to 40 actors together with three master classes for directors and tutors in inclusive practice and one accessible marketing workshop.

Our associate artists programme continues to provide bespoke training and employment opportunities for emerging directors, writers and actors.

All our training and education activities are monitored and evaluated through feedback forms and follow-up interviews with participants and trainers.

Financial review

Income

Total income for the year amounted to £1,085,365 (2010: £1,898,013) of which £753,275 (2010: £821,961) related to grants and donations 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 £591,994 (2010: £579,327).

The charity received funds of £125,573 (2010: £107,927) 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.

Other income relates primarily to box office, venue fees and royalties £77,405 (2010: £30,490), fees from training and workshops £49,167 (2010: £20,345) and income of £31,073 (2010: £14,866) from the hire of the rehearsal space and equipment.

The charity also received £10,000 in sponsorship from Paragon Management Limited to support the production of *Reasons to be Cheerful* and the artistic programme generally.

Expenses

Total expenses have increased from £950,946 for the year ended 31 March 2010 to £1,231,204 in 2010-11. The increase mainly reflects the ambitious artistic programme which included three major productions in the year.

Reserves policy

At 31 March 2011 restricted funds amounted to £2,447,344 (2010: £2,631,313).

Total unrestricted funds were £448,112 (2010: £409,982). Of this amount designated funds of £215,272 (2010: £206,859) have been set aside by the Trustees to be used for specific purposes in the future.

Unrestricted general funds at 31 March 2011 amounted to £232,839 (2010: £203,123). The Trustees have established a policy whereby the general unrestricted funds held by the charity should be a minimum of two months of operating costs.

This equates to approximately £87,000 in general funds at current staffing levels. The balance at 31 March 2011 represents around five months of operating costs. The trustees consider it prudent to maintain a higher level of general funds in the current economic climate.

Plans for future periods

The main focus of the next year will be to tour Graeae's new outdoor production, *The Iron Man* to five international festivals across England and to take the *The Rhinestone Rollers* in a new show, *Wheels on Broadway*, to its first international festival at Greenwich. We will continue to welcome disabled and non-disabled artists to our home in the Bradbury Studios, promoting the Graeae brand to wide audiences.

Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Report of the Trustees for the year ended 31 March 2011

Plans for future periods (cont'd)

Productions and other artistic activities

Ted Hughes's classic children's story, *The Iron Man*, in a new adaptation by Paul Sirett, is a beautiful tale of understanding and tolerance. The production marks Graeae's first venture into the world of giant puppets and the opportunity to work with a new ensemble of artists developing puppetry and outdoor performance skills.

The production is commissioned by Without Walls Consortium and Greenwich+Docklands International Festival (GDIF), and will tour to Norfolk and Norwich Festival, Brighton Festival, GDIF, Bristol Harbour Festival and Stockton International Riverside Festival from May to August 2011.

Wheels on Broadway features two new Rollers and three deaf signing dancers, the Muscle Marys. This show is a tongue in cheek take on Broadway musicals, choreographed by rising star Mark Smith (Director of Deaf Men Dance) and directed by Jenny Sealey. It will open at GDIF before going to the National Theatre's *Watch this Space* as part of Liberty Festival.

Development, training and outreach

Our investment in training and developing disabled artists will continue with:

- Year three of our CPD programme working in collaboration with Circus Space, The Young Vic, BBC TV and Radio and the Royal Shakespeare Company
- Play Labs – a one day research and development lab supporting disabled artists to explore ideas with a creative team of their choosing.

We will create new opportunities for our Associate Artists and other emerging artists, providing placements as Assistant Producer and Assistant Director on our main productions. Our Associates will continue to act as advocates for Graeae as we launch the careers of disabled artists in the mainstream arts industry.

Our commitment to providing role models and outreach for disabled and non-disabled young people will focus on the continuation of *The Iron Man* outreach programme, supported by A New Direction and in collaboration with Kazzum, which will bring together ten schools across London in workshops re-creating the story of *The Iron Man* through puppet making, accessible story-telling and marketing materials.

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 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.

In so far as the trustees are aware:

Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Report of the Trustees for the year ended 31 March 2011

- 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 are appointed as auditors to the company and have expressed their willingness to continue in office.

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report was approved by the Board on 31 August 2011 and signed on its behalf by:


Dawn Langley
Chair

Graeae Theatre Company Limited
(A Company Limited by Guarantee)
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAEAE THEATRE COMPANY LIMITED

We have audited the financial statements of Graeae Theatre Company Limited for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement [set out on page 8] 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

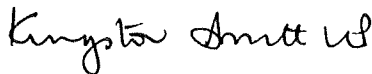
In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

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

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



Sandra De Lord, Senior Statutory Auditor
for and on behalf of Kingston Smith LLP
Statutory Auditor
Date: 05.09.11

Devonshire House
60 Goswell Road
London
EC1M 7AD

Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Statement of Financial Activities
For the Year Ended 31 March 2011

	Notes	Restricted Funds	Unrestricted Funds		Total Funds 2011	Total Funds 2010
		£	General	Designated	£	£
Incoming resources						
<i>Incoming resources from generated funds:</i>						
<i>Voluntary income:</i>						
Grants and donations	2	45,548	593,893	-	639,441	1,016,695
Activities for generating funds	3	-	41,073	-	41,073	14,866
Investment income	4	-	807	-	807	957
		45,548	635,773	-	681,321	1,032,518
<i>Incoming resources from charitable activities:</i>						
Productions, training and other projects	5	297,263	106,781	-	404,044	865,495
Total incoming resources	6	342,811	742,554	-	1,085,365	1,898,013
Resources expended						
<i>Costs of generating funds:</i>						
Costs of generating voluntary income	7	-	57,037	-	57,037	60,319
<i>Fundraising trading</i>	3	-	26,144	-	26,144	-
<i>Charitable activities:</i>						
Productions, training and other projects	8	304,245	756,452	-	1,060,697	818,152
<i>Governance costs</i>	7	-	87,326	-	87,326	72,475
Total resources expended		304,245	926,959	-	1,231,204	950,946
Net incoming/(outgoing) resources before transfers	10	38,566	(184,405)	-	(145,839)	947,067
Transfers						
Gross transfers between funds	14	(222,535)	214,122	8,413	-	-
Net movement in funds for the year		(183,969)	29,717	8,413	(145,839)	947,067
Reconciliation of funds						
Total funds brought forward	14	2,631,313	203,123	206,859	3,041,295	2,094,228
Total funds carried forward	14	2,447,344	232,840	215,272	2,895,456	3,041,295

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

All incoming resources and resources expended derive from continuing activities.

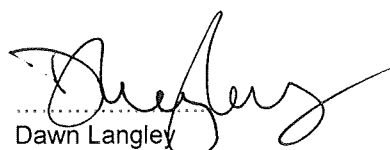
Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Balance Sheet at 31 March 2011

	Notes	2011	2010
		£	£
Tangible Fixed Assets	11	2,414,007	2,528,272
Current Assets			
Debtors	12	83,691	81,246
Cash at bank and in hand		500,937	543,866
		<u>584,628</u>	<u>625,112</u>
Creditors: amounts falling due within one year	13	103,179	112,089
Net Current Assets		<u>481,449</u>	<u>513,023</u>
Total Assets less Current Liabilities		<u>2,895,456</u>	<u>3,041,295</u>
Represented by:			
Restricted Funds	14	2,447,344	2,631,313
Unrestricted Funds			
General	14	232,840	203,123
Designated	14	215,272	206,859
		<u>2,895,456</u>	<u>3,041,295</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board on 31 August 2011 and signed on its behalf by


 Dawn Langley
 Chair

Company no. 1619794

Notes to the Financial Statements
For the Year Ended 31 March 2011

1 ACCOUNTING POLICIES

(a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006, the Financial Reporting Standard for Smaller Entities (effective April 2008) and 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.

Costs of generating funds are those costs incurred in attracting voluntary income.

Expenditure on charitable activities comprises those costs incurred on productions, other artistic activities, training and outreach programmes and the capital project. It includes both costs that can be allocated directly to those activities and those costs of an indirect nature necessary to support them.

Governance costs are those costs associated with the governance of the charity, including costs associated with constitutional and statutory requirements.

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) 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.

Where production set up costs have been incurred prior to the year-end but the production has not yet opened, the set up costs are carried forward at the balance sheet date as deferred production costs until such time as the production opens.

(e) Other income

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

(f) Tangible fixed assets

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

Leasehold property	30 years
Computer equipment	3 years
Production equipment	4 years
Motor vehicles	4 years
Office equipment	4 years

(g) 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.

Notes to the Financial Statements
For the Year Ended 31 March 2011 (cont'd)

2 VOLUNTARY INCOME

	Restricted	Unrestricted	2011	2010
	£	£	Total	Total
			£	£
Arts Council England (ACE)	-	591,994	591,994	579,327
ACE Sustain	-	-	-	148,000
Access to Work - administration	36,472	-	36,472	81,022
Bradbury Foundation	-	-	-	200,000
Other donations	9,076	1,899	10,975	8,346
Total voluntary income	45,548	593,893	639,441	1,016,695

3 ACTIVITIES FOR GENERATING FUNDS

	Restricted	Unrestricted	2011	2010
	£	£	Total	Total
			£	£
Income from hire of rehearsal space and equipment	-	31,073	31,073	14,866
Sponsorship income	-	10,000	10,000	-
Total income from activities for generating funds	-	41,073	41,073	14,866
Cost of services provided	-	26,144	26,144	-

4 INVESTMENT INCOME

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

5 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted	Unrestricted	2011	2010
	£	£	Total	Total
			£	£
Productions and other artistic activities:				
Box office, venue fees and royalties	-	77,405	77,405	30,490
Programme sales	-	3,065	3,065	228
Grants:				
ACE 2012 Unlimited	46,495	-	46,495	-
Without Walls	5,000	-	5,000	-
The Elmgrant Trust	500	-	500	-
Sir John Fisher Foundation	3,039	-	3,039	-
Zochonis Charitable Trust	5,000	-	5,000	-
Charles S French Charitable Trust	-	-	-	1,000
ACE 20 Women	3,000	-	3,000	4,500
Duskin Ainowa Foundation	2,500	-	2,500	3,500
Access to Work	67,991	-	67,991	15,580
Total productions and other artistic activities	133,525	80,470	213,995	55,298
Training:				
Fees from training and workshops	-	26,311	26,311	20,345
Fee from A New Direction	22,856	-	22,856	-
Grants:				
Trust for London	15,000	-	15,000	7,500
The City Bridge Trust	30,000	-	30,000	-
Esmee Fairbairn Foundation	16,333	-	16,333	16,333
The Sir Barry Jackson Trust	775	-	775	-
Split Infnitive Trust	500	-	500	-
The Miles Trust for the Putney and Roehampton Community	500	-	500	-
The Hackney Parochial Charities	2,000	-	2,000	-
Ernest Cook Charitable Trust	2,000	-	2,000	-
The Equitable Charitable Trust	4,000	-	4,000	-
The Leathersellers' Company Charitable Fund	5,000	-	5,000	-
Aldgate and Allhallows Barking Exhibition Foundation	8,664	-	8,664	-
Discover Young Hackney	-	-	-	1,000
ACE 2012 London Cultural Skills Fund	-	-	-	48,605
British Council	-	-	-	3,850
Access to Work	21,110	-	21,110	11,325
Total training	128,738	26,311	155,049	108,958
Other projects:				
Grants:				
Awards for All	10,000	-	10,000	-
Other grants	25,000	-	25,000	-
ACE - capital project	-	-	-	624,239
ACE Sustain	-	-	-	52,000
The Wolfson Foundation	-	-	-	25,000
Total other projects	35,000	-	35,000	701,239
Total incoming resources from charitable activities	297,263	106,781	404,044	865,495

Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2011 (cont'd)

6 TOTAL INCOMING RESOURCES

	Restricted £	Unrestricted £	2011 Total £	2010 Total £
UK total	342,811	739,531	1,082,342	1,890,630
Overseas grants and fees	-	3,023	3,023	7,383
	<u>342,811</u>	<u>742,554</u>	<u>1,085,365</u>	<u>1,898,013</u>

7 COSTS OF GENERATING VOLUNTARY INCOME AND GOVERNANCE COSTS

	Allocated to costs of generating voluntary income £	Governance £	2011 Total £	2010 Total £
Core staff costs	38,707	14,276	52,983	57,819
Office administrative expenses and overheads	18,330	24,095	42,425	38,053
Accountancy services	-	39,995	39,995	29,321
External audit	-	6,900	6,900	6,508
Legal and other professional fees	-	2,060	2,060	1,093
	<u>57,037</u>	<u>87,326</u>	<u>144,363</u>	<u>132,794</u>

8 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 £	2011 Total £	2010 Total £
Actors' wages and relocation	82,231	7,884	-	90,115	33,849
Access costs	72,991	36,110	-	109,101	51,117
Other production costs	178,143	-	-	178,143	77,424
Marketing costs	40,857	9,560	-	50,417	28,319
Training and outreach	-	103,984	-	103,984	92,078
Other staff costs	157,039	97,079	-	254,118	262,964
Office administrative expenses and overheads	168,024	103,870	2,925	274,819	272,401
	<u>699,285</u>	<u>358,487</u>	<u>2,925</u>	<u>1,060,697</u>	<u>818,152</u>

Notes to the Financial Statements
For the Year Ended 31 March 2011 (cont'd)

9 ANALYSIS OF STAFF COSTS

	Total 2011 £	Total 2010 £
Salaries and wages	389,521	334,500
Social security costs	38,024	32,149
Pension costs	15,409	14,719
	<hr/>	<hr/>
Total employee costs	442,954	381,368

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 2011, there were 7 members (2010: 6 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 (2010: 11).

10 NET INCOMING RESOURCES BEFORE TRANSFERS

	2011 £	2010 £
Net incoming resources before transfers are stated after charging:		
Depreciation	137,055	98,420
Auditors' remuneration	6,850	6,500

11 TANGIBLE FIXED ASSETS

	Computer Equipment £	Production Equipment £	Motor Vehicles £	Office Equipment £	Leasehold Property £	Total £
COST						
At 1 April 2010	20,734	116,368	69,404	90,968	2,415,497	2,712,971
Additions	3,422	-	-	887	18,481	22,790
Disposals	(959)	-	-	-	-	(959)
At 31 March 2011	<u>23,197</u>	<u>116,368</u>	<u>69,404</u>	<u>91,855</u>	<u>2,433,978</u>	<u>2,734,802</u>
DEPRECIATION						
At 1 April 2010	8,712	28,159	69,404	18,036	60,388	184,699
Charge for the year	6,431	27,426	-	22,065	81,133	137,055
Disposals	(959)	-	-	-	-	(959)
At 31 March 2011	<u>14,184</u>	<u>55,585</u>	<u>69,404</u>	<u>40,101</u>	<u>141,521</u>	<u>320,795</u>
NET BOOK VALUES						
At 31 March 2011	<u>9,013</u>	<u>60,783</u>	<u>-</u>	<u>51,754</u>	<u>2,292,457</u>	<u>2,414,007</u>
At 31 March 2010	<u>12,022</u>	<u>88,209</u>	<u>-</u>	<u>72,932</u>	<u>2,355,109</u>	<u>2,528,272</u>

Notes to the Financial Statements
For the Year Ended 31 March 2011 (cont'd)

12 DEBTORS

	2011 £	2010 £
Trade debtors	7,249	37,872
Deferred production costs	10,576	-
Other debtors and prepayments	65,866	43,374
	<hr/>	<hr/>
	83,691	81,246
	<hr/>	<hr/>

13 CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

Trade creditors	22,117	12,287
Other taxes and social security	7,652	8,205
Deferred grants	15,000	18,449
Other creditors and accruals	58,410	73,148
	<hr/>	<hr/>
	103,179	112,089
	<hr/>	<hr/>

14 MOVEMENTS IN FUNDS

	At 1 April 2010 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2011 £
Restricted funds					
New building fund, including ACE Sustain	2,506,223	28,566	-	(130,926)	2,403,863
Capital project - non-capital expenditure	-	2,925	(2,925)	-	-
Access equipment grants	4,987	-	-	(1,350)	3,637
ACE Sustain (IT and Access equipment)	3,422	-	-	(692)	2,730
Grant for motor vehicles	-	10,000	-	-	10,000
ACE Sustain (productions and running costs)	116,681	-	-	(89,567)	27,114
Access to Work	-	125,573	(125,573)	-	-
Productions and other artistic activities	-	67,619	(67,619)	-	-
Training and outreach	-	108,128	(108,128)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted funds	2,631,313	342,811	(304,245)	(222,535)	2,447,344
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted funds					
General funds	203,123	742,554	(926,959)	214,122	232,840
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Designated funds					
Artistic fund	45,000	-	-	-	45,000
Training and education fund	50,000	-	-	(35,000)	15,000
Marketing fund	15,000	-	-	7,500	22,500
Strategic development fund	15,000	-	-	-	15,000
Fixed asset fund	21,859	-	-	(4,087)	17,772
Access fund	10,000	-	-	-	10,000
Sinking fund	20,000	-	-	10,000	30,000
New building operational fund	30,000	-	-	30,000	60,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total designated funds	206,859	-	-	8,413	215,272
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	3,041,295	1,085,365	(1,231,204)	-	2,895,456
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the Financial Statements
For the Year Ended 31 March 2011 (cont'd)

14 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 Bradbury Studios. The building was acquired under a 30-year lease and the expenditure for the year represents the annual depreciation charge.

Access equipment grants

This fund was set up for funding received to cover the purchase of access equipment. The expenditure for the year represents depreciation on assets purchased through the fund.

ACE Sustain

The ACE Sustain grant of £200,000 was awarded in 2009 to enable the company to maintain the quality and breadth of its artistic programme and to cover both the shortfall in funding on the Bradbury Studios and some of its running costs. The major transfers during the year of £89,567 relate to the release of Sustain funding to match the production costs of *The Garden* and *Against the Tide* (£50,000) and running costs (£39,567).

Grant for motor vehicles

During the year the company received a grant of £10,000 from the Big Lottery Fund to cover part of the cost of replacing one of its motor vehicles.

Productions and other artistic activities

Grants totalling £65,534 were received during the year to cover *The Garden* (£46,495) and other artistic activities.

Training and outreach

Grants were received during the year to cover the costs of running the Rhinestone Rollers street arts programme, CPD and other workshop activities. These include grants from City Bridge Trust (£30,000), Esmee Fairbairn Foundation (£16,333) and Trust for London (£15,000).

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 Trustees have now re-designated £15,000 to the marketing fund and £20,000 to the new building operational fund.

Marketing fund

A marketing fund was set up in 2006-07 to cover marketing and publicity costs of future projects. The movement in the fund during the year relates to the transfer from the training and education fund of £15,000 as noted above and the utilisation of £7,500 for the company's development of its branding and communications strategy.

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.

Graeae Theatre Company Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 March 2011 (cont'd)

14 MOVEMENTS IN FUNDS (cont'd)

Access fund

The access fund has been set up to cover unexpected salary and other costs relating specifically to staff entitled to access support.

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 and increases in costs of the new building generally.

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds	Unrestricted Funds	Total Funds
	£	£	£
Tangible fixed assets	2,414,007	-	2,414,007
Current assets	50,055	534,573	584,628
Current liabilities	(16,718)	(86,461)	(103,179)
	<hr/>	<hr/>	<hr/>
	2,447,344	448,112	2,895,456
	<hr/>	<hr/>	<hr/>

16 CAPITAL COMMITMENTS

Capital commitments were as follows:

	2011	2010
	£	£
Authorised and contracted for at 31 March	6,755	887
Authorised but not contracted for at 31 March	1,555	11,752
	<hr/>	<hr/>
	8,310	12,639
	<hr/>	<hr/>

17 OPERATING LEASE COMMITMENTS

At 31 March 2011 the charity was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2012:

	2011	2010
	£	£
Land and buildings		
Operating leases which expire:		
In over five years	13,763	13,763
Plant and machinery		
Operating leases which expire:		
Between two and five years	5,072	3,195

18 LEGAL CHARGE

On 24 November 2008, the company signed a lease relating to premises at Bradbury Studios, 138 Kingsland Road, London, E2 8DY for a term of 30 years. 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.

19 RELATED PARTY TRANSACTIONS

During the year both Dawn Langley (Chair) and Emma Dunton worked as freelance consultants for ACE. They were not involved in ACE's funding decisions relating to Graeae.

Dawn Langley is also a freelance consultant for Sync South East. During the year Graeae has hired out its rehearsal space to Sync South East on an arm's length basis.

Judith Mellor is a Governor of Linden Lodge School. Graeae has delivered workshops at Linden Lodge during the year. Contracts were on an arm's length basis.

Jodi Myers was paid a fee of £2,400 in respect of her services as a freelance mentor on the ACE 20 Women project.

During the year two Trustees were reimbursed amounts totalling £219 (2010: £437) in respect of travel expenses and hospitality.

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