

Company Registration No. 02060996 (England and Wales)
Registered Charity No. 1062085

Hackney Empire Limited

**Trustees' report
and financial statements
for the year ended 31 March 2022**

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Legal and administrative information

Constitution Hackney Empire Limited is a company limited by guarantee, not having a share capital. The company is a registered Charity governed by its Memorandum and Articles of Association.

Objects The company's main objects, as set out in the Articles, are to advance public education and appreciation of the arts and to provide the theatre facility for recreation and leisure time occupation in the interests of social welfare with the object of improving the conditions of life, particularly of the inhabitants of the London Borough of Hackney.

Organisation The board of directors of the company and the sub-committees have overall responsibility for the running of the company. Through regular board meetings and sub-committee meetings the directors, who are the Trustees for the Charity, advise the management of the company, in particular on strategy. The Board appoints a Chief Executive who is responsible for policy and day to day management of the Charity.

Hackney Empire Limited has a wholly own subsidiary company, Hackney Empire Trading Limited. This company was formed to generate commercial income at Hackney Empire for the benefit of the parent company to which it gift aids any profits made.

| | | | |
|---------------------------|-----------------------|-------|------------------------|
| Board of directors | William Atkinson | Chair | (appointed 22.03.2022) |
| | Delphine Brand | | (resigned 22.03.2022) |
| | Roger Woolfe | | |
| | Karin Gartzke | | |
| | Sean Gascoine | | |
| | Jay Sheth | | (resigned 27.05.2022) |
| | Mark Harwood | | (resigned 08.02.2022) |
| | Matthew Roeser | | |
| | David Adams | | |
| | Richard Etienne | | |
| | Josette Bushell-Mingo | | (appointed 13.09.2022) |
| | Soheb Panja | | (appointed 13.09.2022) |

All directors are appointed in accordance with the Articles of Association. Except where indicated, the directors listed served throughout the year and up to the date of this report.

Hackney Empire Limited

Legal and administrative information (continued)

| | | |
|---|--|---|
| Finance Committee | David Adams Delphine Brand Roger Woolfe Mark Harwood Matthew Roeser William Atkinson | (resigned 22.03.2022) (resigned 08.022022) (appointed 22.03.2022) |
| Executive Director / Company Secretary Artistic Director | Jo Hemmant Yamin Choudury | |
| Other principal officers | | |
| Technical Manager | Othman Reid | |
| Head of Programme | Jane Walsh | |
| Head of Development | Elly Rothnie | |
| Company number | 02060996 | |
| Charity number | 1062085 | |
| Registered office | Hackney Empire 291 Mare Street London E8 1EJ | |
| Auditors | Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE | |
| Bankers | Barclays Bank PLC 27 Soho Square London W1D 3QR | |
| Accountants | EPIC Investment Partners Audrey House 16-20 Ely Place London EC1N 6SN | |
| Connected charities | Hackney Empire Limited is connected with the Hackney Empire Preservation Trust, which owns the theatre building. Hackney Empire Limited benefits from the continued occupation of this property at a peppercorn rental | |

Transformative – Representative – Accessible – Radical – Inspiring

Vision

We believe that everybody should have the opportunity to experience the singularly transformative power of great Arts & Culture, and we will do everything we can to create vital access for all.

Mission

Hackney Empire will present a programme that is extraordinary, challenging and profound, celebrating the richness of local, national and international Arts & Culture. We will nurture and platform the unheard and the unknown, to encourage and share excellence in all its forms.

Values

- Extraordinary Arts & Culture can be created by **all people, anywhere**.
- The **transformative** impact of **Arts & Culture**, in all its forms, **should be accessible by all**. We have the opportunity to affect how we view others, our environment, our society and ourselves.
- We want ignored and overlooked voices to be heard, isolated communities to be engaged and **ideas to be recognised and responded to**.
- **Young people** from all backgrounds **will always have a home at Hackney Empire** and our **community** will always be at the heart of how we think and how we work.
- **We want to entertain and provoke**. We want to face difficult truths, confront prejudice, embrace new ideas, and share stories.
- **We want to work with others** to create high-quality, innovative and powerful programme.

Hackney Empire Limited

Trustees' Report

For the year ended 31 March 2022

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

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Statement of Recommended Practice incorporating the Financial Reporting Standard 102 – SORP (FRS 102).

Organisation, objectives, achievements & activities

Hackney Empire

Hackney Empire is a renowned, Grade II* listed, Edwardian music hall; now a modern variety theatre and community centre. We present an artistic programme that is extraordinary, challenging and profound. For over a century we have shared and celebrated variety in all its forms; artistically, culturally, and socially. Providing a platform for the boundless depth of local, national and international Arts & Culture in all its forms, we collaborate with partners from across the UK to create a high-quality, innovative and distinct Arts & Culture offer.

The theatre was fully restored in 2003 and is referred to as *"a jewel in the crown of London's historic East End"* and *"one of the most beautiful theatres in the country"*. The auditorium can accommodate upwards of 1,200 seated audience, and over 1,600 standing, making it one of the Capital's largest and most significant venues. And never before has it been as resilient, as sustainable, as outward facing and as dynamic as it is now.

Hackney Empire Limited (HEL)

Here at Hackney Empire, we believe that everybody should have the opportunity to experience the singularly transformative power of Arts & Culture, and we do everything we can to create fundamental access for all. We want isolated communities to be engaged and their ideas to be recognised and responded to.

Hackney Empire has a reputation as a cultural beacon and safe space for communities that, in many cases, do not engage with a wider Arts & Culture sector. We annually welcome over 200,000 audiences that entirely reflect the incredible complexity, diversity and vibrancy of London.

For decades Hackney Empire has been regarded as a vital and exceptional platform for lesser represented creatives and artists and has a proud legacy of supporting marginalised voices. This continues to be core to the organisation's manifesto: extraordinary Arts & Culture can be created by all people, anywhere.

Hackney Empire Limited

Trustees' Report (continued) For the year ended 31 March 2022

We are a dedicated developmental, participatory and education space for thousands of young people every year and our young people's work is recognised as one of the most significant, transformative and powerful programmes in the Capital.

Hackney Empire Trading Limited (HETL)

A wholly-owned trading subsidiary, Hackney Empire Trading Limited (HETL) is in operation to generate commercial income for the benefit of the parent Charity (HEL). The company has four distinct areas of activity:

- Exploitation of commercial opportunities such as photo shoots and film work,
- Service Agreement of the theatre bars for the theatre,
- Service contracts with third party suppliers to run the theatre cafe and catering operation,
- Production company producing commissioned pieces of theatre.

In 2021/22 HETL was commissioned to produce the pantomime *Jack and the Beanstalk* and will be claiming Theatre Tax Relief in respect of this production. All of HETL's profits are gift-aided back to the parent Charity under a deed of covenant.

Achievements

Celebrating its 120th anniversary on December 9th 2021, and situated at the heart of one of London's most dynamic, and yet economically challenged boroughs, Hackney Empire supports some of the most diverse communities of artists and audiences in the country.

For generations it has been a cultural beacon at the heart of East London, and for decades it has provided a critical platform for Black and under-represented voices, and been a welcoming, safe space where people of all backgrounds can participate.

This has been an extraordinary year for Hackney Empire as we have continued to navigate our path through the Coronavirus pandemic and post National lockdowns. Our wider fundraising, including the incredible #SaveHackneyEmpire Crowdfunder, alongside stakeholder support from ACE Culture Recovery Funding, Hackney Council, the Mayor of London and many more Trusts and Foundations, allowed Hackney Empire to survive nearly two years where we were unable to earn any income (normally comprising approximately 85% of our turnover).

Throughout, Hackney Empire maintained its commitment to young people, many of whom had been made more isolated and vulnerable by the lockdowns. Despite being closed to the public we continued and extended our Hackney Empire: Creative Futures work (within the parameters of Coronavirus restrictions)

and created a series of programmes that enabled thousands of young people, to continue to develop skills, engage and connect.

80% of the young people we worked with during the lockdowns said that Hackney Empire helped them get through.

We are now fully (re)open to the public, with a packed programme that gives the people of Hackney, East London and across the Capital the chance to experience excellent arts and culture on their doorstep and providing vital employment for local people.

Since reopening in September 2021, this year Hackney Empire:

- Hosted **104** performances, of 39 different productions and events, and welcomed **63,000** people through our doors,
- Worked with over **2800** young people aged **14-25**,
- Kept average ticket price under **£20**,
- Provided work for over 200 freelance artists and creatives,
- Continued to attract audiences from across our local communities with our top booking postcodes including: **E8, E5, E9, E17, E2, E3, E11, E1, N1, N16**.

As custodians to one of the country's most diverse and important stages, we remain committed to excellence, access and representation – with the development of artists, audiences and young people at the very centre of everything we do.

Over 49% of Hackney Empire's artistic programme is created by Global Majority artists/companies.

Our long-standing commitment to increasing representation goes beyond our programme and across all areas of our organisation. Hackney Empire is one of the sector's leading organisations in terms of workforce diversity and representation. 40% of our team identify as coming from Global Majority backgrounds, as do 75% of our Senior Leadership, and more than 60% of our freelancers.

We continue to develop practices to combat systemic racism creating clear, actionable inclusion and anti-racism, anti-disablist and anti-discriminatory policies whilst identifying and breaking down barriers to access for artists and audiences.

And in continued economic, social and political uncertainty the safe space Hackney Empire provides to communicate, share, learn, confront and challenge, is now more important than perhaps ever before.

Artistic programme

Since re-opening we continue to be the place to see world-class comedy, opera, music and, of course, an award-winning Pantomime.

Hackney Empire reopened to the public in August 2021 with a socially distanced performance of Arcola's critically acclaimed production of *Die Walkure*. ★★★★★ "Exhilarating." – *Evening Standard*

This was followed by our 2021 Artist Development Programme *Nightshade* – a reimagining of *Romeo and Juliet* written by professional young playwright Sumāh Ebelé – returning to Hackney Empire where she first discovered her passion for writing. *Nightshade* was performed by an ensemble of 35 young people (aged 14 – 19) who came together to create a new, original piece of musical theatre in just 10 days.

In October we presented ETO's production of one of Handel's rarely performed but finest works *Amadigi*, followed by a stunning production of *La Boheme* in March 2022. ★★★★★ – *inews* Later that month we welcomed Scottish Opera's ebullient production of *The Gondoliers*. ★★★★★ – *The Scotsman*

Mid-October featured *Vanara*; a revolutionary show set in a futuristic prehistory. *Vanara* combined a lush, original score with fluid, cinematic storytelling, weaving together musical theatre, contemporary dance.

And November we opened *Jack in the Beanstalk* – marking the return of Hackney Empire's legendary Panto which despite uncertainty caused by the Omicron variant ran during November and December. ★★★★★ "A lovely, joyful night out" – *Time Out*.

Pre-pandemic we had been working to further diversify our main-stage audiences. We believe Hackney Empire has a responsibility to ensure that as broad an audience as possible crosses our threshold. As we rebuild post-pandemic, we are committed to continuing strategic programming to widen access and inclusion. In March 2022 we hosted our first 'Entry for All' event a performance of *Battersea Arts Centre's Frankenstein – How to Make a Monster*. ★★★★★ – *The Guardian*

Every ticket in our 1,272 seat auditorium was provided **free of charge** to local young people aged 12 to 24. The feedback from young people, schools and youth services was incredible. We estimate that 77% of these young audience members had never been to a theatre before. 100% of those surveyed said they would like to return. We plan to roll out the 'Entry for All' scheme in the coming year.

Hackney Empire Limited

Trustees' Report (continued)

For the year ended 31 March 2022

We also launched *Riot Act* - a digital re-imagining of Alexis Gregory's critically acclaimed production to celebrate LGBT History month; our first digital commission, blending the worlds of theatre, screen and storytelling.

2021/22 programme highlights also included comedy by *Clinton Baptiste, Sindhu Vee, Chris Ramsey, Josh Widdicombe & Rob Beckett, Ed Gamble, Henning Wehn* and *Al Murray*; music by *The Levellers* and *Cate Le Bon*; filming for *Amazon Prime, HBO* and *BBC*; collaborations with *Gal-Dem, Hofesh Shecter* and *BEAM Musical Showcase*; book launches by authors including *Bimini Bon Boulash* and various podcasts.

We commissioned a report on audience engagement and organisational positioning; the scope of this piece of work conducted by Sarah Chambers and Jo Marsh, was to provide us with a framework and set of recommendations around audiences and positioning that would support us in realising our business plan, future ambition, and fill current gaps in information and awareness. The report incited a wider study and set of work into understanding our audiences and community, and the creation of a new and in-depth comprehension of our current and future potential participant and consumer base. This new set of studies was delivered to the board and Arts Council England representatives, and commended for its innovative approach and comprehensive detail, all of which now informs our strategy.

Hackney Empire: Creative Futures

26% of the children and young people living in Hackney Empire's locale are living in poverty compared with 17% across England. Youth unemployment is 30% higher in Hackney than in England as a whole.

In 2021/22 Hackney Empire's award-winning Creative Futures programme engaged over **2,800** young people (aged 14-25) from across East London's communities, providing over **800** hours of activity over **45** weeks of the year.

Reflecting the diversity of our locale, **90%** of our Creative Futures participants come from Black, Asian or ethnically diverse communities and around **15%** have special educational needs or a disability. Our young people are more likely to face a range of disadvantages including greater risk of marginalisation, social exclusion and financial disadvantage, as well as additional barriers to achieving positive outcomes, such as discrimination and cultural prejudice.

By consistently providing free and open programming throughout the pandemic and its aftermath, Creative Futures continued to break down barriers to access and participation by engaging young people of all financial, cultural and socio-economic backgrounds, including those who may not normally engage with

offers from arts organisations. Our programmes use arts and creativity to provide access and engagement, improve mental health and wellbeing, develop creative and transferrable skills and increase employability.

Our programmes in 2021/22 have included workshops and masterclasses alongside professionally produced training and performance programmes which are provided free of charge to all participants. Creative Futures creates a safe, inclusive space that helps cultivate a sense of belonging for young people regardless of their education level, family income bracket, ability or experience.

- 95% of participants surveyed said they felt empowered and able to shape the activities at Hackney Empire
- 93% said Creative Futures made them feel like an artist
- 67% said that Creative Futures led them to take part in other cultural or creative activities as artists or producers.

During 2021/22 we saw the continued need for safe spaces for our young people and their communities. Unable to access their usual support networks some became isolated and withdrawn or at-risk of being drawn into anti-social or dangerous behaviour. Despite being closed to the public and facing an uncertain future, Hackney Empire maintained its commitment to young people throughout. Highlights included:

- Hackney Empire Patron and Hackney born singer-songwriter *Leona Lewis*, ran an artist development programme via Zoom and offered a cohort of 30 young people mentoring, training and masterclasses with world-renowned vocal coaches and producers.
- *Limitless*, our annual intensive summer programme for disabled and neurodiverse young people, was reimagined as an outdoor festival.
- Regular programmes, including the *Writers' Room* and *Progression Sessions* (a programme for young musicians and producers), were adapted to meet the needs and safety of young people in a pandemic context using filming and digital as well as in person activity.
- We launched a Facilitator training course, a bespoke personal and professional development scheme for young people whose education, employment or training had stalled because of the pandemic.

We remain committed to using arts and creativity to support the mental health and wellbeing of young people. With one in six children aged five to 16 identified as having a probable mental health problem in July 2021¹, (a significant increase from one in nine in 2017), and 83% of young people with mental health needs agreeing that the Covid-19 pandemic had made their mental health worse, organisations like Hackney Empire have had a vital role to play.

¹ <https://digital.nhs.uk/news/2021/rate-of-mental-disorders-among-children-remained-stable-in-2021-after-previous-rise-report-shows#:~:text=Mental%20Health%20of%20Children%20and,2%20in%202020%20and%202021>

A recent participant survey indicated that 90% of Creative Futures participants felt it was a safe space where they could talk about personal issues with friends on the programme and 88% with staff.

- 92% of participants surveyed said they experienced greater emotional wellbeing
- 95% said they are more resilient
- 95% said they are more independent

"Joy, appreciation, relief. Hackney Empire has given me a new outlook on life. It has meant so much to me. I feel alive again." – Alex

Leadership

In March 2022 we appointed new Chair, Sir William Atkinson who replaced Delphine Brand after eleven years of service. He brings extensive experience of theatre through his nine years as a Trustee of the Royal Shakespeare Company and as Chair of the Board of the Lyric Theatre, Hammersmith. Sir William spent 40 years as a teacher and headteacher in several inner-city secondary schools across London and was knighted in November 2008 for service to education and community relations.

We were delighted to welcome Leona Lewis as a Patron of Hackney Empire. The award-winning singer, who grew up in Hackney, has had a long-standing relationship with Hackney Empire having launched her second studio album Echo there in 2009. Leona will focus her support on our work with young people.

Finally, our cohort of circa 40 Young Producers, aged 14- 19, continue to be the voice of our organisation. Meeting weekly across 45 weeks of the year, all our youth activity from the strategic planning of our annual programme to individual projects is driven by their ideas and feedback.

Fundraising

Despite their own very challenging circumstances, our Local Authority Hackney Council have continued to support us, and our Arts Council England NPO funding continues through 2022/23. This year we secured new funding from a range of Trust and Foundations including from the Cockayne Foundation, the Theatres' Trust and the Steel Charitable Trust. Our Christmas Big Give campaign raised over £20,000 – three times the amount of the previous year.

We also secured ongoing support from a range of funders including Esmée Fairbairn Foundation, Children in Need and our Creative Futures' partner Forest School. We have a robust fundraising strategy to enable growth whilst re-building financial resilience by growing and diversifying income streams. This has included

harnessing the potential of individual giving highlighted by the public support received during Covid-19 and using our Development Group to help us broker mutually beneficial Corporate Partnerships.

We are also entering into our first major corporate partnership post-pandemic with clothing brand Hush.

In total, £1,069,980 was raised from donations, trusts and foundations, gifts and legacies in 2021/22 (£1,828,509 in 2020/21). The Trustees are aware of their responsibilities under the Charities (Protection and Social Investment) Act 2016 and have considered the implications for their fundraising activities. HEL operates within the code of fundraising practice set out by the independent regulator of charitable fundraising in England and no complaints were received in relation to fundraising activities to date. We are committed to being fully compliant with the laws and guidance underpinning charitable fundraising. We will not accept gifts or sponsorship from organisations or individuals whose support of our activities we deem to be inconsistent with our mission, vision and values. Our Vulnerable Adults and Safe Guarding policies form the framework for protection of these groups.

Sustainability

Hackney Empire is committed to improving its sustainability – we upgraded our boilers to energy efficient models while we were closed during the pandemic and in March 2022 secured funding to upgrade on-stage lighting, enabling us to address the single largest remaining contributor to our carbon footprint and reduce its energy consumption by 80%. In Feb 2022 we also secured funding for a pilot scheme with Stokey Energy which would see the installation of up to 103 solar panels installed on Hackney Empire's roof generating up to 40% of our energy requirements. Once rolled out this programme will reduce our energy usage whilst generating our own clean energy – creating a model for how culture and heritage buildings and venues across the sector can become greener.

Financial review

The group financial statements to March 2022 show an operating surplus on unrestricted funds of £515,680 taking the accumulated surplus on unrestricted funds to £1,784,069. As we came out of lock down and the theatre was able to reopen, we moved quickly to establish a flexible business model and programme, which has stood us in good stead. As a team we have been able to respond to what has become an unpredictable and fast-changing environment by employing rigorous attention to managing cash flow, risk analysis, and continuous assessment of financial implications of our operational decisions. We continue to receive financial support from the London Borough of Hackney, in recognition of the value of our work and are pleased to report that our application to Arts Council England for continued National Portfolio Funding (2023 – 2026) has been successful.

Reserves policy

Hackney Empire Ltd will keep money aside as reserves to protect the charity by strengthening resilience against reduced income or allow to us to take advantage of new opportunities that are aligned to our aims. The level of unrestricted reserves will be approximate to 8 weeks of turnover rising to 12 weeks as funds allow. This will be reviewed annually as part of the AGM of the board of Trustees.

Given the reserves position as at 31 March 2022, Hackney Empire Ltd intend to create designated funds for Artistic risk (£25k) and Building maintenance (£75k) in the new financial year. The Trustees intend to increase these funds to £150k as soon as funds allow. The Artistic reserve can be used for one-off projects that are aligned with the organisations aims and the building reserve can be used for emergency repairs to the building where other operational funds are insufficient to cover the costs. This will be reviewed annually as part of the AGM of the board of Trustees

We have been grateful for the support of Culture Recovery Funding and encouraged that our post-pandemic business model is proving to be a sustainable platform from which we continue to build.

Plans for Future Periods

Looking ahead we will continue to provide an exciting, welcoming and much-needed space for audiences and participants from across our communities to experience and enjoy the arts, continuing strategic programming to widen access and inclusion. Artistic programme for 22/23 includes the premier of Violet, a brand new British opera; new musical theatre from Improbable; the return of The British Soap Awards; a series of events celebrating the Windrush generation; comedy by Paul Chowdry, Gina Yashere and Hasan Minhaj amongst many others; arts & culture for all the family from Peppa Pig to The Gruffalo; music from The Drifters, Robert Plant, The Reggae Choir; podcasts, fashion shows, emerging talent, original young people's work and much, much more. Further, we remain committed to reducing our energy consumption and improving environmental suitability across the organisation. We are in the process of addressing a large contributor to our carbon footprint and will soon replace 80% of our tungsten stage lighting with much more efficient LED lanterns.

Governance

Statement of Trustees' responsibilities

The Trustees (who are also directors of Hackney Empire Limited 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 the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group 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, (FRS 102),
- 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each Trustee is aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees confirm that in planning the activities of the Charity they have had due regard to the Charity Commission's guidance on public benefit, health and safety, due diligence in relation to holding, receiving and moving funds safely, and in particular, the guidance for fee charging charities.

Trustee induction

The Board and its Nominations Committee meet throughout the year as required. They proactively review the skill set of the membership as well as keeping an overview of representation.

The nominator provides the sub-committee with a biography or CV of the nominee and the reason for the nomination, for consideration. The prospective member then meets members of the committee and other trustees and attends a board meeting as an observer. If appropriate, formal invitation is made as part of board meeting proceedings and recorded in the minutes. The new trustee is then sent an induction pack including recent Board papers, financial information, current strategic planning documents and a history of the theatre and introductory meetings are set as appropriate with staff as well as attending events.

Remuneration of key management personnel

The pay of all staff is reviewed no less than annually by the Executive team with reference to UK industry norms. The remuneration of key management personnel is then reviewed by the Finance Committee and presented to the board of trustees.

Risk management

The Directors have examined the major strategic, business and operational risks that the company faces and confirm that systems have been established so that the necessary steps can be taken to mitigate these risks. The Board conducts a no less than annual review of the risk register which details the risks the Charity may face. The Board reviews the systems and procedures in place to mitigate those risks, advises on improvements and provides monitoring on a regular basis. The Board then ensures there is proper implementation of the procedures with the objective of minimising any potential impact on the Charity should those risks materialise.

The key risks as identified, and their mitigating factors were:

| Risk | Mitigation |
|---|---|
| External forces (recession/public spending etc) impact on business plan | <ul style="list-style-type: none">• Forward planning to ensure best possible programme.• Plan marketing cycle to optimise income.• Ensure secondary spend offer competitive.• Monitor cash flow. |
| Building related difficulties | <ul style="list-style-type: none">• Ensure maintenance and operations manuals are sufficient and up to date.• Implement appropriate maintenance strategy.• Make suitable financial provisions where possible to ensure effective maintenance. |
| Loss of key staff | <ul style="list-style-type: none">• Succession planning.• Documentation of systems plans and projects.• Training programmes.• Notice periods and handovers.• Recruitment process. |
| Inadequate reserves | <ul style="list-style-type: none">• Reserves policy linked to Business Plan, activities and identified financial and operating risk.• Regular review of policy• Free reserves established |

Auditors

A resolution proposing the re-appointment of Saffery Champness LLP as auditors will be put to the Annual General Meeting.

Statement by the Chair of the Board; Sir William Atkinson

As the newly appointed Chair of Hackney Empire, I feel proud and privileged to have joined such a powerhouse organisation. The staff without exception are highly skilled and dedicated to providing the best service to the local and broader community.

Hackney Empire Limited

Trustees' Report (continued) For the year ended 31 March 2022

The diverse programme seeks to cater to a wide range of preferences from comedy to opera to panto. I have found the work with young people to be truly impressive and potentially life changing. The fact that Hackney Empire has emerged so strongly from the travails of the past is due in no small measure to the outstanding and inspired leadership of Jo Hemmant and Yamin Choudury who together have skilfully piloted the organisation over the last four years. I would also like to pay tribute to the work and leadership of my immediate predecessor Delphine Brand and the Board of Trustees, who did so much to support and challenge the Organisation to improve on its previous best.

The entire Hackney Empire community would like to acknowledge the important contribution to our work made possible by our supporters who have given generously in a variety of ways.

We go into the next year with renewed optimism and an unshakable commitment to our vision, mission and values.



Sir William Atkinson

Chair

15 November 2022

Opinion

We have audited the financial statements of Hackney Empire Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash flow statement and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

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

Independent Auditor's Report to the Members for the year ended 31 March 2022 (continued)

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

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report which includes the Directors' Report, and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and Strategic Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate

the group or the parent charitable company or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the Trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with Trustees and updating our understanding of the sectors in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with

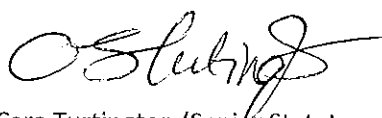
appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Cara Turtington (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 15 November 2022

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Hackney Empire Limited

Consolidated statement of financial activities (Including income and expenditure account) For the year ended 31 March 2022

| | Notes | Unrestricted Funds £ | Restricted funds £ | 2022 Total £ | 2021 Total £ |
|--|--------------|----------------------------|--------------------------|--------------------|--------------------|
| Income from: | | | | | |
| Donations, gifts, and legacies | | 120,955 | - | 120,955 | 219,829 |
| Grants receivable | 4 | 375,295 | 573,730 | 949,025 | 1,608,680 |
| Investment income | | 135 | - | 135 | 718 |
| Income from trading activities | 5 | 366,934 | - | 366,934 | 64,575 |
| <i>Income from charitable activities</i> | | | | | |
| Income from running theatre | 6 | 1,481,950 | - | 1,481,950 | 7,892 |
| Total income | | 2,345,269 | 573,730 | 2,918,999 | 1,901,694 |
| Expenditure on: | | | | | |
| <i>Cost of raising funds</i> | | | | | |
| Fundraising costs | 7 | 49,924 | - | 49,924 | 35,021 |
| <i>Charitable activity</i> | | | | | |
| Cost of operation of the theatre | 8 | 2,230,288 | 1,023,567 | 3,253,855 | 1,628,512 |
| Total expenditure | 9 | 2,280,212 | 1,023,567 | 3,303,779 | 1,663,533 |
| Net income/(expenditure) for the year | | 65,057 | (449,837) | (384,780) | 238,161 |
| Transfer between funds | 17 | 383,817 | (383,817) | - | - |
| Corporation tax | 11 | 66,806 | - | 66,806 | 5,905 |
| Net movement in funds | | 515,680 | (833,654) | (317,974) | 244,066 |
| Opening fund balances | | 1,268,389 | 7,867,528 | 9,135,917 | 8,891,851 |
| Closing fund balances | 17,18 | 1,784,069 | 7,033,874 | 8,817,943 | 9,135,917 |

There were no recognised gains and losses other than the movements in funds shown above. All operations are continuing.

The notes on pages 24 to 41 form part of the financial statements.

Hackney Empire Limited

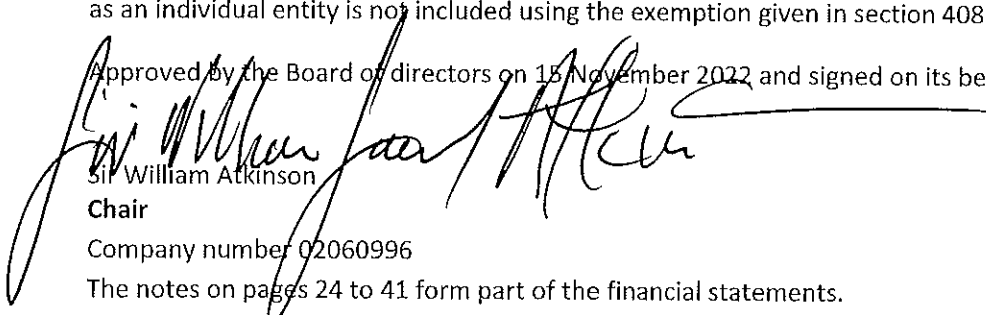
Balance sheets

As at 31 March 2022

| | Notes | Group | | Charity | |
|--|-------|------------------|------------------|------------------|------------------|
| | | 2022 £ | 2021 £ | 2022 £ | 2021 £ |
| Fixed assets | | | | | |
| Tangible assets | 12 | 7,227,459 | 7,800,397 | 7,227,459 | 7,800,397 |
| Investments | 13 | - | - | 1 | 1 |
| | | <u>7,227,459</u> | <u>7,800,397</u> | <u>7,227,460</u> | <u>7,800,398</u> |
| Current assets | | | | | |
| Debtors | 14 | 166,197 | 251,678 | 314,803 | 288,391 |
| Stock | | 8,075 | - | - | - |
| Cash at bank and in hand | | <u>2,357,514</u> | <u>1,513,815</u> | <u>2,157,060</u> | <u>1,499,727</u> |
| | | 2,531,786 | 1,765,493 | 2,471,863 | 1,788,118 |
| Creditors: Amounts falling due within one year | 15 | <u>(941,302)</u> | <u>(429,973)</u> | <u>(881,380)</u> | <u>(392,418)</u> |
| Net current assets | | <u>1,590,484</u> | <u>1,335,520</u> | <u>1,590,483</u> | <u>1,395,700</u> |
| Total assets less current liabilities | | <u>8,817,943</u> | <u>9,135,917</u> | <u>8,817,943</u> | <u>9,196,098</u> |
| Net assets | | <u>8,817,943</u> | <u>9,135,917</u> | <u>8,817,943</u> | <u>9,196,098</u> |
| Represented by: | | | | | |
| Restricted funds | 17 | 7,033,874 | 7,867,528 | 7,417,691 | 7,867,528 |
| Unrestricted funds: | | | | | |
| General funds | 18 | <u>1,784,069</u> | <u>1,268,389</u> | <u>1,400,252</u> | <u>1,328,570</u> |
| Total | 19 | <u>8,817,943</u> | <u>9,135,917</u> | <u>8,817,943</u> | <u>9,196,098</u> |

The total income of the Charity as an individual entity for the year was £ 2,486,075 (2021 - £1,869,974) and its net loss was £378,155 (2021 - £304,247 (net income)). A statement of financial activities for the Charity as an individual entity is not included using the exemption given in section 408 of the Companies Act 2006.

Approved by the Board of directors on 15 November 2022 and signed on its behalf.


Sir William Atkinson

Chair

Company number 02060996

The notes on pages 24 to 41 form part of the financial statements.

Hackney Empire Limited

Consolidated cash flow statement For the year ended 31 March 2022

| | 2022 | | 2021 | |
|--|-----------|-----------|-----------|-----------|
| | £ | £ | £ | £ |
| Reconciliation of net income/(expenditure) to cash inflow from operating activities | | | | |
| Net income/(expenditure) | (317,974) | | 244,066 | |
| Depreciation | 667,256 | | 649,760 | |
| Interest received | (135) | | (718) | |
| Inventory | (8,075) | | - | |
| Decrease/(increase) in debtors | 85,480 | | 122,196 | |
| (Decrease)/increase in creditors (excluding loans and finance leases) | 511,330 | | (221,339) | |
| Net cash inflow from operating activities | | 937,882 | | 793,965 |
| Cash flows from investing activities | | | | |
| Interest received | 135 | | 718 | |
| Payments to acquire tangible fixed assets | (94,318) | | (170,974) | |
| | | (94,183) | | (170,256) |
| Change in cash and cash equivalents | | 843,699 | | 623,709 |
| Cash at 1 April 2021 | | 1,513,815 | | 890,106 |
| Cash at 31 March 2022 | | 2,357,514 | | 1,513,815 |

Analysis of changes in net debt

| | At start of year (2021) | Cash-flows | At end of year (2022) |
|--------------|-------------------------|----------------|-----------------------|
| | £ | £ | £ |
| Cash | 1,513,815 | 843,699 | 2,357,514 |
| Total | 1,513,815 | 843,699 | 2,357,514 |

The notes on pages 24 to 41 form part of the financial statements.

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention. The accounts (financial statements) have been prepared in accordance with the second edition of the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The Charity constitutes a public benefit entity as defined by FRS102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

In 2020, the operations of the theatre and the Charity's income was significantly impacted after regulations and restrictions were imposed due to Covid-19. However, in 2021-22 with more relaxed regulations the theatre has managed to start operations with moderate capacity. The Charity has benefitted from the Coronavirus Job Retention Scheme to support the staff costs till September 2021, and has put in place cost savings to manage the cashflow during the opening of the theatre.

As of 31 March 2022, the Charity has net current assets of £1,590,493 and for the year ended 31 March 2022 a surplus of £71,682 was made on unrestricted funds leaving a surplus on unrestricted funds of £1,400,252.

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

Income from donations and grants, including capital grants, is included in incoming resources when there is entitlement, probability of receipt and the amount can be measured with sufficient reliability, unless the donor has specified that the donation or grant relates to a future period or that certain pre-conditions must be fulfilled before use. In these cases, amounts received are recognised in the relevant period or when the pre-conditions have been met and until then treated as deferred income. Donations and grants for particular purposes are included in incoming resources as restricted funds.

Production Income is included in incoming resources in the period in which the relevant performance takes place. Income related to productions in a subsequent period is treated as deferred income. All other income is recognised on an accruals basis once the Charity is legally entitled to receipt. All incoming resources are recorded net of VAT.

1.4 Expenditure

Expenditure is included in the Statement of Financial Activities on an accrual basis, inclusive of any VAT which cannot be recovered. Expenditure is recognised when a liability is incurred.

- Costs of raising funds are those costs incurred in attracting voluntary income and those incurred in the operation of trading activities which raise funds.
- Charitable activities include expenditure associated with the operation of the theatre and such directly associated activities as educational programmes. Cost of charitable activities includes both the direct cost of activities and related support costs.
- Support costs include central functions and have been allocated to activity costs on a basis consistent with the use of resources. This is frequently on the basis of staff time spent in each area but other bases such as usage are also employed. Support costs also include Governance costs.
- Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements.

Where performances of a production straddle the balance sheet date, production costs are apportioned in relation to the number of performances falling within each period and the amount relating to performances after the balance sheet date are treated as debtors.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, once brought into use, as follows:

| | |
|----------------------------------|-----------------------------------|
| Freehold land | Nil |
| Freehold buildings | 2% straight line |
| Theatre improvements | over 30 to 10 years straight line |
| Fixtures, fittings and equipment | from 10% to 33% straight line |

Individual fixed assets consisting of more than £1,000 are capitalised at cost.

1.6 Leased assets and obligations

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the least term. The corresponding leasing commitments are shown as obligations to the lessor.

Finance lease payments are treated as consisting of capital and interest elements, and the interest is charged to the statement of financial activities in proportion to the remaining balance outstanding.

All other leases re operating leases and the annual rentals are charged to the statement of financial activities on a straight line basis over the lease term.

Hackney Empire Limited

Notes to the accounts (continued)

For the year ended 31 March 2022

1.7 Investments

The Statement of Recommended Practice requires investments to be stated at market value. The investments of Hackney Empire Limited consist of one wholly owned subsidiary, Hackney Empire Trading Limited. The company is not quoted and the directors consider it appropriate to include the investment at cost.

1.8 Stock

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equal to net realisable value.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognized as an impairment loss in the statement of financial activities.

1.9 Pensions

The Charity operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the Statement of Financial Activities in the year they are payable.

1.10 Foreign currency translation

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

1.11 Consolidation

The consolidated financial statements present information about the company and its wholly owned subsidiary Hackney Empire Trading Limited. The consolidation has been performed on a line by line basis.

1.12 Fund accounting

Funds received for a purpose specified by the donor are credited to restricted funds. Expenditure incurred on these purposes is then charged to the funds as it is incurred (see note 17).

All other income is treated as unrestricted funds. The Trustees have chosen to designate certain funds for specific future expenditure as explained in the Trustees' Report.

1.13 Financial instruments

The Charitable only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Financial instruments (continued)

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Impairment of financial assets

Financial assets, other than those held at fair value through the statement of financial activities, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of financial activities.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Charity obligations are discharged, cancelled, or they expire.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Status of company

The company is a registered Charity, limited by guarantee.

As at 31 March 2022, the company has 8 members, who are also directors. The liability of each member on a winding up is limited to a maximum of £1.

Hackney Empire Limited

Notes to the accounts (continued)

For the year ended 31 March 2022

4 Grants receivable

As at 31 March 2022

| | Unrestricted Funds £ | Restricted Funds £ | Total 2022 £ |
|--|----------------------------|--------------------------|--------------------|
| <u>Core funding</u> | | | |
| Arts Council England | 375,295 | - | 375,295 |
| Arts Council England - Culture Recovery Fund | - | 299,465 | 299,465 |
| Clarion Futures | - | 5,000 | 5,000 |
| HMRC JRS Grant | - | 38,520 | 38,520 |
| <u>Project Funding</u> | | | |
| Arts Council England – Capital Works | - | 23,903 | 23,903 |
| Alter Ego | - | 20,000 | 20,000 |
| Children in Need | - | 10,000 | 10,000 |
| Cockayne grant | - | 23,000 | 23,000 |
| Esmée Fairbairn Foundation | - | 35,000 | 35,000 |
| Hackney Empire YOF Grant | - | 5,000 | 5,000 |
| Hello Again | - | 15,000 | 15,000 |
| Impact Funds | - | 38,640 | 38,640 |
| London Borough of Hackney | - | 40,000 | 40,000 |
| Steel Charitable Trust | - | 11,000 | 11,000 |
| The Churchill Fellowship | - | 9,202 | 9,202 |
| | <u>375,295</u> | <u>573,730</u> | <u>949,025</u> |

As at 31 March 2021

| | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ |
|--|----------------------------|--------------------------|--------------------|
| <u>Core funding</u> | | | |
| Arts Council England | 375,295 | - | 375,295 |
| Arts Council England - Culture Recovery Fund | - | 534,226 | 534,226 |
| Arts Council England - Emergency Funding | 244,555 | - | 244,555 |
| Clarion Futures | 5,000 | - | 5,000 |
| Esmée Fairbairn Foundation – Unrestricted grants | 23,500 | - | 23,500 |
| HMRC JRS Grant | - | 166,732 | 166,732 |
| Jean Hodgkinson | - | 5,300 | 5,300 |
| London Community Response Fund | - | 22,237 | 22,237 |
| <u>Project Funding</u> | | | |
| Arts Council England – Capital Works | - | 120,535 | 120,535 |
| Arts Council England - supplementary grant | - | 1,000 | 1,000 |
| Children in Need | - | 4,000 | 4,000 |
| Ernest Hecht Charity | - | 2,500 | 2,500 |
| Esmée Fairbairn Foundation | - | 47,000 | 47,000 |
| FTO Yamana Peabody | - | 2,000 | 2,000 |
| Goldsmiths Company Charity | - | 3,000 | 3,000 |
| Greater London Authority | - | 10,000 | 10,000 |

Hackney Empire Limited

Notes to the accounts (continued) For the year ended 31 March 2022

4 Grants receivable (continued)

| | | | |
|---------------------------|----------------|----------------|------------------|
| Hackney Council | - | 300 | 300 |
| London Borough of Hackney | - | 40,000 | 40,000 |
| Youth Opportunity Fund | - | 1,500 | 1,500 |
| | <u>648,350</u> | <u>960,330</u> | <u>1,608,680</u> |

Included in Note 4 above are government grants of £40,000 (2021 - £40,000) from London Borough of Hackney and £38,520 (2021 - £166,732) from the Coronavirus Job Retention Scheme.

5 Income from trading activities

| | 2022 £ | 2021 £ |
|-----------------------------|----------------|---------------|
| Bars and catering income | 187,620 | - |
| Location and filming income | 146,895 | 64,075 |
| Other income | 32,419 | 500 |
| | <u>366,934</u> | <u>64,575</u> |

6 Income from theatre operation

| | 2022 £ | 2021 £ |
|-------------------|------------------|--------------|
| Box office | 558,263 | - |
| Theatre hire | 701,814 | 1,217 |
| Merchandise | 28,204 | 346 |
| Booking fees | 48,665 | 1,961 |
| Theatre recharges | 143,572 | 1,668 |
| Other income | 1,432 | 2,700 |
| | <u>1,481,950</u> | <u>7,892</u> |

7 Fundraising costs

| | 2022 £ | 2021 £ |
|----------------------|---------------|---------------|
| Staff costs | 41,515 | 34,713 |
| Fundraising expenses | 8,409 | 308 |
| | <u>49,924</u> | <u>35,021</u> |

Hackney Empire Limited

Notes to the accounts (continued)

For the year ended 31 March 2022

8 Costs of operation of the theatre

| | Unrestricted Funds | Restricted Funds | Total Funds 2022 |
|------------------------------------|-----------------------|---------------------|------------------------|
| | £ | £ | £ |
| Staff and staff-related costs | 802,884 | 200,678 | 1,003,522 |
| Depreciation | 15,786 | 651,470 | 667,256 |
| Promoters/production costs | 851,748 | 59,717 | 911,465 |
| Education | 5,320 | - | 5,320 |
| Publicity | 183,570 | 7,869 | 191,439 |
| Premises and general running costs | 340,453 | 70,557 | 411,010 |
| Overhead/administrative costs | 18,419 | 31,989 | 50,408 |
| Governance costs | 12,148 | 1,287 | 13,435 |
| | <u>2,230,288</u> | <u>1,023,567</u> | <u>3,253,855</u> |
| | | | |
| | Unrestricted Funds | Restricted Funds | Total Funds 2021 |
| | £ | £ | £ |
| Staff and staff-related costs | 145,186 | 445,579 | 590,765 |
| Depreciation | 8,682 | 641,077 | 649,759 |
| Promoters/production costs | 24,265 | 25,072 | 49,337 |
| Education | 127 | 173 | 300 |
| Publicity | 22,750 | 9,470 | 32,220 |
| Premises and general running costs | 160,145 | 81,857 | 242,002 |
| Overhead/administrative costs | 25,534 | 29,489 | 55,023 |
| Governance costs | 5,868 | 3,238 | 9,106 |
| | <u>392,557</u> | <u>1,235,955</u> | <u>1,628,512</u> |

Hackney Empire Limited

Notes to the accounts (continued) For the year ended 31 March 2022

9 Net income/(expenditure)

Net income/(expenditure) is stated after charging:

| | 2022 | 2021 |
|--|---------|---------|
| | £ | £ |
| Amounts payable to auditors for audit services- current year | 12,780 | 11,025 |
| Amounts payable to auditors - other service | - | 1,300 |
| Depreciation | 667,256 | 649,760 |
| Operating lease payments | 95,089 | 36,936 |

10 People cost

| | 2022 | 2021 |
|--|------------------|----------------|
| | £ | £ |
| Aggregate staff costs are made up as follows: | | |
| Salaries and wages | 860,565 | 483,385 |
| Social security costs | 64,892 | 39,634 |
| Pension costs | 14,910 | 8,963 |
| Other staff costs | 11,350 | 2,266 |
| Subtotal | 951,717 | 534,248 |
| Professional Fees* | 93,320 | 91,230 |
| Total | 1,045,037 | 625,478 |
| Fundraising staff costs (note 7) | 41,515 | 34,713 |
| Staff and staff-related costs of operation of the theatre (note 8) | 1,003,522 | 590,765 |
| | 1,045,037 | 625,478 |

| | 2022 | 2021 |
|--|------|------|
| | No. | No. |
| The number of staff receiving a salary over £60,000 was: | | |
| £60,000 - £69,999 | 1 | - |

The total number of employees during the year was 43 (2021: 38) of which 10 were permanent staff and 33 were involved in performances.

Key management personnel are considered to be the Executive Director and the Artistic Director. The total amount paid to key management personnel in the year was £124,304 (2021: £106,918).

*Professional Fees includes the freelancer and contractor cost for the outsourcing of the finance, marketing and development function, which substitutes the staff costs in these areas for the Charity.

10.1 Transactions with Trustees

No payments are made to Trustees for their services as Trustees, nor were any expenses reimbursed to them during the current or preceding period. Donations totalling £5,019 were received from the Trustees during the period (2021: £5,510).

11 Taxation

No charge to corporation tax is expected to arise due to the company's charitable status.
The trading subsidiary benefits from a theatrical tax credit received on its production activities

12 Tangible fixed assets

| Group and Charity | Freehold land and buildings £ | Theatre improve- ments £ | Fixtures fittings and equipment £ | Total £ |
|-------------------------|--|-----------------------------------|--|-------------------|
| Cost | | | | |
| At 1 April 2021 | 222,758 | 18,581,122 | 609,746 | 19,413,626 |
| Additions | - | 34,360 | 59,958 | 94,318 |
| At 31 March 2022 | 222,758 | 18,615,482 | 669,704 | 19,507,944 |
| Depreciation | | | | |
| At 1 April 2021 | 108,061 | 10,934,813 | 570,355 | 11,613,229 |
| Charge for the year | 4,455 | 645,629 | 17,172 | 667,256 |
| At 31 March 2022 | 112,516 | 11,580,442 | 587,527 | 12,280,485 |
| Net book value | | | | |
| At 31 March 2022 | 110,242 | 7,035,040 | 82,177 | 7,227,459 |
| At 31 March 2021 | 114,697 | 7,646,309 | 39,391 | 7,800,397 |

All assets are in use for charitable purposes. Legal charges exist over the freehold properties to secure the interests of the public bodies, bankers and other lenders funding their purchase and the cost of theatre improvements.

13 Investment in subsidiary

| | 2022 £ | 2021 £ |
|--------------------------------------|-----------|-----------|
| Investment in subsidiary undertaking | 1 | 1 |

The Charity holds 100% of the issued ordinary share capital of the following company:

| Subsidiary | Country of registration | Class | Shares held |
|--------------------------------|-------------------------|----------|-------------|
| Hackney Empire Trading Limited | England | Ordinary | 100% |

Hackney Empire Limited

Notes to the accounts (continued) For the year ended 31 March 2022

13 Investment in subsidiary (continued)

The principal activities of the subsidiary are to generate commercial income for Hackney Empire Limited and to produce theatrical work on commission. The subsidiary started trading in February 2011. A summary of the results of the subsidiary is set out below.

| | 2022 £ | 2021 £ |
|--|------------------|----------------|
| Income | 1,219,981 | 121,069 |
| Cost of sales | (874,262) | (93,371) |
| Administrative expenses | (277,412) | (36,170) |
| Profit / (Loss) on ordinary activities before taxation | 68,307 | (8,472) |
| Corporation tax | 66,807 | 5,905 |
| Profit / (Loss) on ordinary activities after taxation | 135,114 | (2,567) |
| Amount gifted to Hackney Empire Limited | (132,547) | - |
| Retained profit / (loss) | 2,567 | (2,567) |
| Turnover comprised: | | |
| Bar/Catering | 204,560 | - |
| Pantomime production | 829,080 | 57,614 |
| Location and filming fees | 186,341 | 63,455 |
| | 1,219,981 | 121,069 |

Hackney Empire Limited and the subsidiary have a group VAT registration. Any profit made by the subsidiary is paid under gift aid to Hackney Empire Limited.

The assets and liabilities of the subsidiary were:

| | 2022 £ | 2021 £ |
|--|-----------|----------------|
| Current assets | 295,557 | 119,631 |
| Creditors: amounts falling due within one year | (295,556) | (122,197) |
| Net assets | 1 | (2,566) |
| Shareholder's funds | 1 | (2,566) |

Notes to the accounts (continued)
For the year ended 31 March 2022

14 Debtors

| | Group | | Charity | |
|--|----------------|----------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Trade debtors | 28,805 | 25,731 | 21,630 | 11,350 |
| Other taxes | - | 42,173 | - | 42,173 |
| Prepayments and accrued income | 63,290 | 92,613 | 57,540 | 150,228 |
| Amounts owed by subsidiary undertaking | - | - | 235,633 | 84,640 |
| Corporation tax | 74,102 | 91,161 | - | - |
| | <u>166,197</u> | <u>251,678</u> | <u>314,804</u> | <u>288,391</u> |

15 Creditors: Amounts falling due within one year

| | Group | | Charity | |
|---------------------------------|----------------|----------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £ | £ | £ | £ |
| Trade creditors | 196,793 | 107,670 | 174,817 | 96,840 |
| Box office advance seats | 432,561 | 152,561 | 432,561 | 152,561 |
| Other taxes and social security | 71,620 | 8,569 | 97,829 | 13,748 |
| Other creditors and accruals | 240,328 | 161,173 | 176,173 | 129,269 |
| | <u>941,302</u> | <u>429,973</u> | <u>881,380</u> | <u>392,418</u> |

16 Future financial commitments

The group is committed to the total future lease payments:

| | 2022 | 2021 |
|----------------------------|----------------|----------------|
| | £ | £ |
| Land and buildings: | | |
| Within one year | 88,000 | 65,000 |
| Between two and five years | 308,000 | 260,000 |
| Over 5 years | - | 32,500 |
| | <u>396,000</u> | <u>357,500</u> |

This represents a 15-year lease over 117 Wilton Way

| | 2022 | 2021 |
|----------------------------|--------------|--------------|
| | £ | £ |
| Office equipment: | | |
| Within one year | 7,089 | 4,436 |
| Between two and five years | - | - |
| | <u>7,089</u> | <u>4,436</u> |

Hackney Empire Limited

Notes to the accounts (continued) For the year ended 31 March 2022

17 Restricted Funds

As at 31 March 2022

| Charity and Group | Balance 1 April 2021 £ | Incoming resources £ | Resources used £ | Transfers Between funds £ | Balance 31 March 2022 £ |
|--|---------------------------------|----------------------------|------------------------|------------------------------------|----------------------------------|
| Capital | | | | | |
| Freehold property | 145,883 | - | (4,455) | (31,186) | 110,242 |
| Capital projects | 7,094,215 | - | (607,701) | 348,526 | 6,835,040 |
| ACE Capital Works | 304,899 | 23,903 | (37,930) | (290,872) | - |
| Revenue | | | | | |
| Arts Council England- Culture Recovery Fund | 258,231 | 299,465 | (147,411) | (410,285) | - |
| Alter Ego | - | 20,000 | (20,000) | - | - |
| Backstage Trust | 40,000 | - | (40,000) | - | - |
| Children In Need | 4,000 | 10,000 | (10,000) | - | 4,000 |
| Cockayne grant | - | 23,000 | - | - | 23,000 |
| Clarion Futures | - | 5,000 | (5,000) | - | - |
| Esmée Fairbairn Foundation | - | 35,000 | (35,000) | - | - |
| Greater London Authority | 10,000 | - | (10,000) | - | - |
| Hackney Empire YOF Grant | - | 5,000 | - | - | 5,000 |
| Hello Again | - | 15,000 | (6,250) | - | 8,750 |
| HMRC JRS Grant | - | 38,520 | (38,520) | - | - |
| Impact Funds | - | 38,640 | - | - | 38,640 |
| Jean Hodgkinson | 5,300 | - | (5,300) | - | - |
| LBH – Service agreement | - | 40,000 | (40,000) | - | - |
| Steel Charitable Trust | - | 11,000 | (11,000) | - | - |
| Theatre Trust | 5,000 | - | (5,000) | - | - |
| The Churchill Fellowship | - | 9,202 | - | - | 9,202 |
| Total restricted funds | 7,867,528 | 573,730 | (1,023,567) | (383,817) | 7,033,874 |

Transfers between funds represent the release of CRF funding to general reserves in line with the reserve's reflation part of the CRF claim.

Transfers from capital restricted funds represent a net transfer in of £26,468 relating to cumulative spend borne by restricted funds that should have been funded from unrestricted funds and simplification of the funds overall.

17 Restricted Funds (continued)

Freehold property

These funds represent resources held in the form of building.

ACE Capital Work

Funding towards acquisition or improvement of long-term assets such as equipment or building.

Arts Council England-Culture Recovery Fund

Funding towards the costs outlined in the application submitted to culture recovery fund- grants programme.

Alter Ego

Funding for creative work featuring young artists that have performed over the ten years

Backstage Trust

Funding towards the refurbishment of toilets at Hackney Empire

Children in Need

Funds towards LIMITLESS (Hackney Village), working with children and young people with learning and sensory disabilities.

Cockayne grant

Hackney Empire Post Covid-19 Capital Improvement Programme.

Clarion Futures

Funding to support core costs and Covid-19 measures.

Esmée Fairbairn Foundation

Funding towards the costs of staffing and artistic development of new models which aim to increase artistic ambition and artist and audience diversity

Greater London Authority

Funding towards Empire 2 rent as a space for Creative futures programme.

Hackney Empire YOF Grant

Support towards creative learning programme.

Hello Again

Discounted tickets for Hackney residents for Panto 2021 and other programmes.

HMRC JRS Grant

Funding to cover a proportion of the salaries of furloughed staff during the COVID-19 pandemic.

Impact Funds

Funding towards acquisition or improvement of long-term assets such as equipments or buildings. (Stage lighting equipment)

Jean Hodgkinson

Funding to support implementation of Covid-19 measures.

LBH – Service agreement

London Borough of Hackney supported the Charity's 'Connecting Young Hackney' and other youth involvement programmes.

Steel Charitable Trust

Support towards creative learning programme.

Theatre Trust

Funding towards improvements to the water pumps in the theatre.

The Churchill Fellowship

Support towards specific needs of young people/artists.

Hackney Empire Limited

Notes to the accounts (continued) For the year ended 31 March 2022

17 Restricted Funds (continued)

As at 31 March 2021

| Charity and Group | Balance 1 April 2020 £ | Incoming resources £ | Resources used £ | Transfers Between funds £ | Balance 31 March 2021 £ |
|--|---------------------------------|----------------------------|------------------------|------------------------------------|----------------------------------|
| Capital | | | | | |
| Freehold property | 145,883 | - | - | - | 145,883 |
| Capital projects | 7,706,371 | - | (612,156) | - | 7,094,215 |
| ACE Capital Works | 210,463 | 120,535 | (26,099) | - | 304,899 |
| Revenue | | | | | |
| Arts Council England- Culture Recovery Fund | - | 534,226 | (275,995) | - | 258,231 |
| Arts Council England- supplementary grant | 3,436 | 1,000 | (4,436) | - | - |
| Backstage Trust | 40,000 | - | - | - | 40,000 |
| Children In Need | 10,000 | 4,000 | (10,000) | - | 4,000 |
| Esmée Fairbairn Foundation | 21,000 | 47,000 | (68,000) | - | - |
| ERNEST HECHT CHARITY | - | 2,500 | (2,500) | - | - |
| FTO Yamana Peabody | - | 2,000 | (2,000) | - | - |
| Goldsmiths Company Charity | - | 3,000 | (3,000) | - | - |
| Greater London Authority | - | 10,000 | - | - | 10,000 |
| Hackney Council | - | 300 | (300) | - | - |
| HMRC JRS Grant | - | 166,732 | (166,732) | - | - |
| Jean Hodgkinson | - | 5,300 | - | - | 5,300 |
| London Community Response Fund | - | 22,237 | (22,237) | - | - |
| LBH – Service agreement | - | 40,000 | (40,000) | - | - |
| Theatre Trust | 5,000 | - | - | - | 5,000 |
| Young Leaders on track festival | 1,000 | - | (1,000) | - | - |
| Youth Opportunity Fund | - | 1,500 | (1,500) | - | - |
| Total restricted funds | 8,143,153 | 960,330 | (1,235,955) | - | 7,867,528 |

18 Unrestricted funds

As at 31 March 2022

| Charity and Group | Balance 1 April 2021 £ | Incoming resources £ | Resources used £ | Transfers between funds £ | Balance 31 March 2022 £ |
|---------------------------------|---------------------------------|----------------------------|------------------------|------------------------------------|----------------------------------|
| General funds | 1,268,389 | 2,412,075 | (2,280,212) | 383,817 | 1,784,069 |
| Total unrestricted funds | 1,268,389 | 2,412,075 | (2,280,212) | 383,817 | 1,784,069 |

As at 31 March 2021

| Charity and Group | Balance 1 April 2020 £ | Incoming resources £ | Resources used £ | Transfers between funds £ | Balance 31 March 2021 £ |
|---------------------------------|---------------------------------|----------------------------|------------------------|------------------------------------|----------------------------------|
| General funds | 748,698 | 947,269 | (427,578) | - | 1,268,389 |
| Total unrestricted funds | 748,698 | 947,267 | (427,578) | - | 1,268,389 |

19 Analysis of net assets between funds

As at 31 March 2022

| | Tangible Fixed assets £ | Net current assets £ | Total £ |
|--------------------|-------------------------------|----------------------------|------------------|
| Group and Charity | | | |
| Restricted funds | 7,145,282 | (111,408) | 7,033,874 |
| Unrestricted funds | 82,177 | 1,701,892 | 1,784,069 |
| | 7,227,459 | 1,590,484 | 8,817,943 |

Hackney Empire Limited

Notes to the accounts (continued) For the year ended 31 March 2022

19 Analysis of net assets between funds (continued)

As at 31 March 2021

| | Tangible Fixed assets £ | Net current liabilities £ | Total £ |
|--------------------------|-------------------------------|---------------------------------|------------------|
| Group and Charity | | | |
| Restricted funds | 7,761,006 | 106,522 | 7,867,528 |
| Unrestricted funds | 39,391 | 1,228,998 | 1,268,389 |
| | <u>7,800,397</u> | <u>1,335,520</u> | <u>9,135,917</u> |

20 Related party transactions

The Charity has a wholly owned subsidiary company (Hackney Empire Trading Limited (HETL)) of which more details can be found in note 13. A summary of the transactions between the entities is as follows:

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Fee charged by HETL for producing pantomime | 829,080 | 57,614 |
| Recharge of costs by Charity | 395,874 | 49,005 |
| Profits donated to the Charity by gift aid | 132,547 | - |

At the year-end HETL owed the Charity £235,633. There were no other related party transactions not disclosed elsewhere in these accounts.

21 Comparative consolidated statement of financial activities

| | Unrestricted Funds £ | Restricted Funds £ | 2021 Total £ |
|--|----------------------------|--------------------------|--------------------|
| Income from: | | | |
| Donations, gifts and legacies | 219,829 | - | 219,829 |
| Grants receivable | 648,350 | 960,330 | 1,608,680 |
| Investment income | 718 | - | 718 |
| Income from trading activities | 64,575 | - | 64,575 |
| <i>Income from charitable activities</i> | | | |
| Income from running theatre | 7,892 | - | 7,892 |
| Total income | 941,364 | 960,330 | 1,901,694 |
| Expenditure on: | | | |
| <i>Cost of raising funds</i> | | | |
| Fundraising costs | 35,021 | - | 35,021 |
| <i>Charitable activity</i> | | | |
| Cost of operation of the theatre | 392,557 | 1,235,955 | 1,628,512 |
| Total expenditure | 427,578 | 1,235,955 | 1,663,533 |
| Net income / (expenditure) for the year | 513,786 | (275,625) | 238,161 |
| Transfers between funds | - | - | - |
| Corporation tax | 5,905 | - | 5,905 |
| Net movement in funds | 519,691 | (275,625) | 244,066 |
| Opening fund balances as at 1 April 2020 | 748,698 | 8,143,153 | 8,891,851 |
| Closing fund balances as at 31 March 2021 | 1,268,389 | 7,867,528 | 9,135,917 |

