

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 2023**

Hackney Empire Limited

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Hackney Empire Limited

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 |
| Roger Woolfe | |
| Karin Gartzke | |
| Sean Gascoine | |
| Jay Sheth | (resigned 27.05.2022) |
| Matthew Roeser | |
| David Adams | |
| Richard Etienne | |
| Josette Bushell-Mingo | (appointed 13.09.2022) |
| Soheb Panja | (appointed 13.09.2022) |
| Jasmyn Fisher Ryner | (appointed 07.03.2023) |

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 Roger Woolfe Matthew Roeser William Atkinson |
| Executive Director / Company Secretary Artistic Director | Jo Hemmant Yamin Choudury |
| Other principal officers Technical Manager Head of Programme | Othman Reid Jane Walsh /Becca Thomason |
| Company number | 02060996 |
| Charity number | 1062085 |
| Registered office | Hackney Empire 291 Mare Street London E8 1EJ |
| Auditors | Saffery 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 |

VISION, MISSION & VALUES

VISION

We believe access changes lives, so we will build bridges for everybody to be able to experience and create art & culture.

MISSION

Hackney Empire is not just a theatre; it is a home, a safe space, and a centre for sharing and storytelling of all kinds. We know that identity, privilege, and background should not affect anyone's opportunity to engage, because great stories exist everywhere and in everyone.

VALUES

We believe that extraordinary art & culture can be created by all people, anywhere.

We want ignored voices to be heard, isolated communities to be engaged, and overlooked ideas to be recognised.

We will face difficult truths, confront prejudice, and share experience.

We must safeguard and nurture young people from all backgrounds, who will always have a home at Hackney Empire.

Together we can deepen our understanding of ourselves, our society, and our environment.

Hackney Empire Limited

Trustees' Report For the year ended 31 March 2023

The Trustees present their report and financial statements for the year ended 31 March 2023.

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 a dedicated developmental, participatory and education space for thousands of young people each year.

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 theatre venues outside of the West End.

Hackney Empire Limited (HEL)

For over a century we have shared and celebrated variety in all its forms; artistically, culturally, politically, and socially. Hackney Empire has provided the megaphone for the voices of those who are less represented and easily ignored.

Today our programme presents a rich mix of art of all kinds including Opera, Theatre, Music, Pantomime and Comedy offering local communities the chance to experience local, national and international culture on their doorstep.

Our audiences are drawn from some of the most socially and economically deprived postcodes in the country (including 23% of households in Lower Clapton, 24% in South Hackney and 23% in Dalston). We also are home to some of the most representative audiences in the country, with 43% of the 130,000 audience members who come through our doors annually from Global Majority backgrounds.

We are committed to using art and creativity to drive social change throughout everything we do, with particular focus on young people from disadvantaged and under-represented backgrounds. In 2022/2023, we welcomed over 130,000 audience members through our doors for 167 performances. Over 66,664 tickets were booked by 20,371 first time bookers.

Hackney Empire Limited

Trustees' Report

For the year ended 31 March 2023

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 2022/23 HETL was commissioned to produce the pantomime Mother Goose 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 and Highlights

A year of building bridges for everybody to experience, and create art & culture:

Summer

Emerging Artist Practitioner Programme – designed to fill the gaps that can stop early career artists from under-represented backgrounds progressing in the arts.

Glorious Grand Union Orchestra returned to celebrate their 40th anniversary 'An extraordinary collective of musicians from around the world, playing wondrous music' **The Guardian**

Launch of 20 Years of Creative Futures Report on stage at Hackney Empire featuring young people and artists who have worked with us over the last two decades.

Hackney Empire's Young Producers take over the National Theatre's River Stage, featuring over 150 young and emerging artists performing to an audience of thousands.

ADP, Hackney Empire's flagship youth programme brought together professional directors, choreographers, musicians and facilitators to work with over 50 (aged 13 – 19) young people and in just 10 days created a brand-new piece of musical theatre 'A Direct Message' which was performed to a packed audience of friends, families and peers in our legendary auditorium.

Autumn

Only Joy Aloud featured 100 young dancers, musicians, in collaboration with celebrated choreographers Boy Blue platforming the young voices of East London through movement and storytelling.

Hackney Empire Limited

Trustees' Report For the year ended 31 March 2023

Improbable the Musical - masters of improvisation Improbable performed six radically different, brilliant pieces.

Mother Goose – acclaimed annual pantomime, opened with two free performances for a targeted invite only audience of for local partners including Housing Associations, Community Groups, local refuges, and young carers.

Hackney Empire's 120th anniversary celebrations culminated with the launch of our film On the Shoulders of Giants – a documentary commissioned to look back at the history of our iconic building, its transformation back into a theatre in the 1980s and the people that made that possible.

Winter

Over 250 local young people took to our stage in January as part of Dance 2 Beat and the annual Hackney Music Schools Gala, we also welcomed back the Americana Awards – the centrepiece of a weeklong celebration of music in Hackney.

Alter Ego! East London's biggest showcase of young talent returned for the first-time post-pandemic. Featuring over 30 young artists on-stage over 50 young people working behind the scenes and performed to a sell-out audience of their peers.

Hackney Empire's second Entry for All! Event supported by Hackney Council, where young people are given tickets free of charge to four performances of the Theatre Centre's critically acclaimed Birds and Bees.

Hackney Empire's partnership with For Black Boys Who Have Considered Suicide when the Hue Gets to Heavy enabled ticket prices to remain accessible for this groundbreaking West-End transfer.

Further Programme Highlights

Hackney Empire remains one of the capital's key venues to see touring opera. In April we presented Scottish Opera's "exuberant" The Gondoliers **** The Telegraph. In July 2022 we premiered Violet by Music Theatre Wales, Britten Pears Arts and the Royal Opera House described as "The best new opera in years" The Telegraph *****.

In August the Arcola Theatre returned to Hackney Empire with a double bill of Siegfried and Götterdämmerung bringing their stripped back Ring Cycle to a "resonant conclusion" ***** The Stage.

Hackney Empire Limited

Trustees' Report

For the year ended 31 March 2023

We hosted Hackney Empire regulars English Touring Opera's Autumn season of Ottone, Agrippina and Tamerlano **** The Guardian, and again in March 2023 with their triumphant Spring season featuring Il Viaggio A Reims **** Financial Times, Lucrezia Borgia **** The Stage and Giulio Casare ***** The Guardian.

In November, Mother Goose opened as Hackney Empire's legendary Panto for 2022. For the first time since 2019, all 59 performances were able to go ahead and we received brilliant audience responses, ground-breaking ticket sales and great reviews **** The Guardian, **** Evening Standard, **** The Telegraph

2022/23's programme also included hugely popular comedy nights including the Live at the Empire series, and stand-alone gigs by Gina Yashere, Nish Kumar, Paul Chowdhry, David O'Doherty, Hasan Minhaj as well as fundraisers including Stand up for Pakistan and Stand Up for Windrush.

We were delighted to programme more work for children including the hugely loved live version of The Gruffalo, Andy and the Odd Socks, Jurassic Live, Milkshake Monkey's Musical and the BBC Symphony Orchestra for a special school's performance.

We also saw an increase in live music including soul legends The Drifters, rock royalty Robert Plant with his band Saving Grace, Alter Ego, and the return of the Americana Awards.

Throughout the year Hackney Empire continued to provide a platform for local communities and schools including performances by Boroughs United, Dance 2 Beat, Hackney Music Service Gala, and the Festival of Voices.

2022 – Celebrating 20 Years of Creative Futures

In June we published a report 20 Years of Creative Futures our pioneering young people's programmes which to date have worked with over 20,000 young people from across East London and forms the corner stone of our mission.

Creative Futures was founded through belief that culture and creativity can be a powerful force for making change. For two decades Hackney Empire has harnessed this power to engage young people, to help them make new, positive connections and to influence the world around them. We are committed to working with young people from under-represented communities and providing them with the tools, skills, and pathways they need to develop as individuals, as artists and as leaders.

We work at the heart of one of the most diverse boroughs in the Capital; characterised by a wealth of ethnic backgrounds, migration histories, religious, educational, and economic backgrounds, both amongst long-term residents and newcomers. Although Hackney is a borough that has changed a great deal in the past few decades, there remains high levels of poverty and inequality. Of the 18 indicators in The London Poverty

Hackney Empire Limited

Trustees' Report For the year ended 31 March 2023

Profile, Hackney scores poorly for 8 of them. The London Borough of Hackney is currently ranked as the 10th highest in the country and 3rd highest in London in terms of child poverty. 49.5% of children in Hackney were in poverty in 2020/21 compared with 27% across the UK. Youth unemployment is 30% higher in Hackney than in England as a whole:

Reflecting the diversity of our local communities, 90% of our Creative Futures participants are part of the Global Majority, and many 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. Furthermore, we recognise that young artists and creatives from under-represented backgrounds can face a specific range of additional barriers to entering the creative workforce including discrimination, unequal access to opportunities, and a lack of representative role models.

In this context, Hackney Empire Creative Futures' unique model of professional and personal development harnesses the values and interests of young people as a means for their personal, professional, and creative growth.

Equality, Diversity, Justice, and Inclusion

Hackney Empire has long been one of the cultural sector's leading organisations in terms of diversity and representation at all levels. Across 22/23 we have redoubled our commitment to increasing representation within all areas of our organisation and the sector at large.

We have developed 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.

We are one of the sector's leading organisations in terms of diversity and representation at all levels 40% of our permanent team, 50% of senior management, 50% of the board, and over 73% of the contractual and freelance team identify as coming from the Global Majority.

Over 49% of Hackney Empire's artistic programme is created by, and with, Black, Asian, and ethnically diverse practitioners. Our award-winning self-produced Pantomime famously has strong representation from leading roles to technical crew. Of our two associate artists / companies, one is disabled-led and the other LGBTQI+. Hackney Empire is also now a Dementia Friendly venue.

Leadership

We were delighted to welcome three new members to our Board of Trustees. Hackney Empire Creative Futures alumnus, and now West End producer, Jasmyn Fisher-Ryner, Josette Bushell-Mingo OBE, award-winning actor and director and Principal of the Royal Central School of Speech and Drama, and Soheb Panja, the founder and editor of Field7, a new media business aimed at people working on climate solutions.

Sustainability

We are proud to have made significant strides to cement our commitment to reducing our carbon footprint as a grade 2* listed building with two key initiatives:

Stage lighting is a significant contributing factor to our electricity consumption. However, by replacing 70% of the lanterns with LEDs, we estimate a proportionate decrease in our total electric consumption of approximately 35%, equating to reduced energy consumption of 8,375 KWH, saving 1.75 tonnes of carbon per month. This work was generously supported by Hackney Council, the Foyle Foundation, and individual donations.

Solar panels have been installed, supported by a grant from Hackney Community Energy Fund and in partnership with Stokey Energy. We expect to generate circa 33,000 KWH of energy per year.

Together these programmes enable Hackney Empire to provide a model of how heritage buildings can become more sustainable – reduce their carbon footprint whilst generating our own clean energy, and as such contribute to Hackney Council's mission to reach carbon net zero by 2030.

Fundraising

We were pleased that our application to continue in the Arts Council England National Portfolio Organisation 2023 – 2026 was successful and that we remain a key service provider for our Local Authority through Discover Young Hackney and Connecting Young Hackney. We are also delighted that Forest School have continued their valued support as our Creative Futures lead partner, with long standing support from Esmée Fairbairn Foundation and Children in Need. In addition, we secured new funding from a range of funds and organisations including the Hackney Together Fund, the Hackney Community Energy Fund, the Backstage Trust, the Garfield Weston Foundation, the Roy Bard Charitable Foundation, the August and Hope Pilkington Trust.

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Trustees' Report

For the year ended 31 March 2023

In total, £292,483 was raised from donations, trusts and foundations, gifts, and legacies in 2022/23 (£120,955 in 2021/22). 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 remains a member of the Fundraising Regulator and operates within its 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 Safeguarding policies form the framework for protection of these groups.

Financial review

The group financial statements to March 2023 show an operating surplus on unrestricted funds of £573,606 taking the accumulated surplus on unrestricted funds to £2,357,675. We have maintained our rigorous attention to managing cash flow, risk analysis, and continuous assessment of the 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 we have maintained our position in the Arts Council England National Portfolio Funding (2023 – 2026).

A key line in the financial statements for this year is Box Office income, reflecting a large increase in theatregoers returning to see shows after the pandemic. This increase from £558,263 to £966,739, together with careful cost control and cash flow, has enabled us to deliver a strong set of financial results.

Reserves policy

Hackney Empire Ltd intends to 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.

Hackney Empire Ltd will maintain the 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. These will be reviewed annually as part of the AGM of the board of Trustees.

Plans for Future Periods

Looking ahead we will continue to “dream big” and 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 23/24 includes a very strong comedy line-up - Judi Love, Jon Richardson, Matteo Lane and Alan Carr as well as key music events including The Levellers, Mac Demarco, Andy Shauf, and the return of the Americana Awards. We are delighted to be collaborating with the BBC Symphony Orchestra on the family programme as well as supporting Rush: A Joyous Jamaican Journey – Windrush anniversary. Most recently we were thrilled to host The Rolling Stones for the album launch of “Hackney Diamonds”.

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.

Hackney Empire Limited

Trustees' Report

For the year ended 31 March 2023

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 of any prospective trustee 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. This is reviewed by the Finance Committee as part of annual budgeting and presented to the board of trustees. The remuneration of the Chief Executives is reviewed by the 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 at least annually a 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. |
| 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. |
| 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. |
| Lack of capacity & inadequate use of resources | <ul style="list-style-type: none">• Inadequate supervision of projects• Staff over-stretched & low morale |

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**Trustees' Report
For the year ended 31 March 2023**

Auditors

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

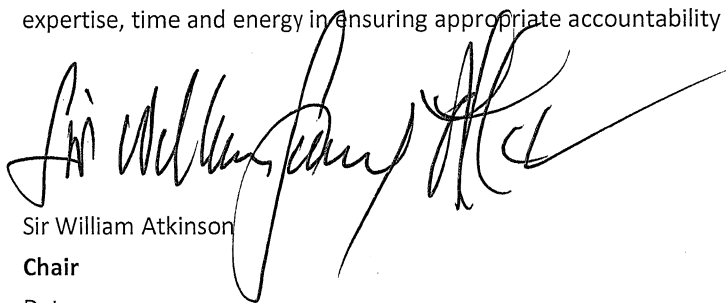
Statement by the Chair of the Board; Sir William Atkinson

This Trustee Report is a testament to the vision, passion, and energy of the Hackney Empire community. Our community is made up of our audiences, young people, local supporters, partners, staff, outstanding management team and a committed and motivated body of trustees whose sole purpose is to make a significant and positive impact on the lives of everyone who comes into contact with our much-loved Theatre in this diverse and dynamic borough of Hackney.

This report contains extensive reference to the range and quality of the work undertaken over the last twelve months, and yes there is much scope for congratulations, however our sights are firmly set on improving on our previous best. To this end the trustees and senior management team are committed to looking in detail at ways of becoming even more relevant to our community.

I want to draw attention to the invaluable support from our friends and supporters and above all I would like to thank the leadership team superbly lead by Jo Hemmant and Yamin Choudury for their continued excellence in discharging their many responsibilities.

Finally, I would like to acknowledge crucial contribution of our trustee group who willingly dedicate so much expertise, time and energy in ensuring appropriate accountability as well as strategic oversight.



Sir William Atkinson
Chair
Date

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 2023 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 2023 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 2023 (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 Turlington (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 14 November 2023

Saffery 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 2023

| | Notes | Unrestricted Funds £ | Restricted funds £ | 2023 Total £ | 2022 Total £ |
|--|-----------|----------------------------|--------------------------|--------------------|--------------------|
| Income from: | | | | | |
| Donations, gifts, and legacies | | 292,483 | - | 292,483 | 120,955 |
| Grants receivable | 4 | 375,295 | 179,742 | 555,037 | 949,025 |
| Investment income | | 911 | - | 911 | 135 |
| Income from trading activities | 5 | 707,485 | - | 707,485 | 366,934 |
| <i>Income from charitable activities</i> | | | | | |
| Income from running theatre | 6 | 1,796,586 | - | 1,796,586 | 1,481,950 |
| Total income | | 3,172,760 | 179,742 | 3,352,502 | 2,918,999 |
| Expenditure on: | | | | | |
| <i>Cost of raising funds</i> | | | | | |
| Fundraising costs | 7 | 45,320 | - | 45,320 | 49,924 |
| Cost of trading activities | 8 | 401,765 | - | 401,765 | - |
| <i>Charitable activity</i> | | | | | |
| Cost of operation of the theatre | 9 | 2,449,675 | 766,172 | 3,215,847 | 3,253,855 |
| Total expenditure | | 2,896,760 | 766,172 | 3,662,932 | 3,303,779 |
| Net income/(expenditure) for the year | | 276,000 | (586,430) | (310,430) | (384,780) |
| Transfer between funds | 20 | 111,336 | (111,336) | - | - |
| Corporation tax | 12 | 186,270 | - | 186,270 | 66,806 |
| Net movement in funds | | 573,606 | (697,766) | (124,160) | (317,974) |
| Opening fund balances | 19,20 | 1,784,069 | 7,033,874 | 8,817,943 | 9,135,917 |
| Closing fund balances | 21 | 2,357,675 | 6,336,108 | 8,693,783 | 8,817,943 |

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

The notes on pages 22 to 39 form part of the financial statements.

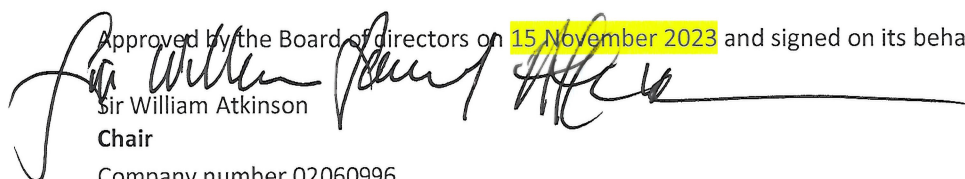
Hackney Empire Limited

Balance sheets As at 31 March 2023

| | Notes | Group | | Charity | |
|--|-------|------------------|------------------|------------------|------------------|
| | | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| Fixed assets | | | | | |
| Tangible assets | 13 | 6,764,328 | 7,227,459 | 6,764,328 | 7,227,459 |
| Investments | 14 | - | - | 1 | 1 |
| Social Investments | 15 | 50,000 | - | 50,000 | - |
| | | <u>6,814,328</u> | <u>7,227,459</u> | <u>6,814,329</u> | <u>7,227,460</u> |
| Current assets | | | | | |
| Debtors | 16 | 359,713 | 166,197 | 710,743 | 314,803 |
| Stock | | 7,693 | 8,075 | - | - |
| Cash at bank and in hand | | 2,320,069 | 2,357,514 | 1,922,289 | 2,157,060 |
| | | <u>2,687,475</u> | <u>2,531,786</u> | <u>2,633,032</u> | <u>2,471,863</u> |
| Creditors: Amounts falling due within one year | 17 | (808,020) | (941,302) | (753,578) | (881,380) |
| Net current assets | | <u>1,879,455</u> | <u>1,590,484</u> | <u>1,879,454</u> | <u>1,590,483</u> |
| Total assets less current liabilities | | <u>8,693,783</u> | <u>8,817,943</u> | <u>8,693,783</u> | <u>8,817,943</u> |
| Creditors: Amounts falling due after one year | | - | - | - | - |
| | | <u>8,693,783</u> | <u>8,817,943</u> | <u>8,693,783</u> | <u>8,817,943</u> |
| Represented by: | | | | | |
| Restricted funds | 19 | 6,336,108 | 7,033,874 | 6,336,108 | 7,033,874 |
| Unrestricted funds: | | | | | |
| Designated Funds | | - | - | - | - |
| General funds | 20 | 2,357,675 | 1,784,069 | 2,357,675 | 1,784,069 |
| Total | | <u>8,693,783</u> | <u>8,817,943</u> | <u>8,693,783</u> | <u>8,817,943</u> |

The total income of the Charity as an individual entity for the year was £3,202,441 (2022 - £2,486,075) and its net loss was £124,159 (2022 – net loss of £378,155). 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 2023 and signed on its behalf.


Sir William Atkinson
Chair

Company number 02060996

The notes on pages 22 to 39 form part of the financial statements.

Hackney Empire Limited

Consolidated cash flow statement
For the year ended 31 March 2023

| | 2023 | | 2022 | |
|--|-----------|-----------|-----------|-----------|
| | £ | £ | £ | £ |
| Reconciliation of net income/(expenditure) to cash inflow from operating activities | | | | |
| Net income/(expenditure) | (124,160) | | (317,974) | |
| Depreciation | 678,683 | | 667,256 | |
| Interest received | (911) | | (135) | |
| Inventory | 382 | | (8,075) | |
| Decrease/(increase) in debtors | (193,516) | | 85,480 | |
| (Decrease)/increase in creditors (excluding loans and finance leases) | (133,282) | | 511,330 | |
| Net cash inflow from operating activities | | 227,196 | | 937,882 |
| Cash flows from investing activities | | | | |
| Interest received | 911 | | 135 | |
| Purchase of Investments | (50,000) | | - | |
| Payments to acquire tangible fixed assets | (215,552) | | (94,318) | |
| | | (264,641) | | (94,183) |
| Change in cash and cash equivalents | | (37,445) | | 843,699 |
| Cash at 1 April 2022 | | 2,357,514 | | 1,513,815 |
| Cash at 31 March 2023 | | 2,320,069 | | 2,357,514 |

Analysis of changes in net debt

| | At start of year (2022) | Cash-flows | At end of year (2023) |
|--------------|-------------------------|-----------------|-----------------------|
| | £ | £ | £ |
| Cash | 2,357,514 | (37,445) | 2,320,069 |
| Total | 2,357,514 | (37,445) | 2,320,069 |

The notes on pages 22 to 39 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 2022-23 with more relaxed regulations the theatre has managed to operate at full capacity. The Charity has benefitted from the rescheduled performances that got cancelled during covid and has put in place cost savings to manage the cashflow for the operations at the theatre.

As of 31 March 2023, the Charity has net current assets of £1,879,456 and for the year ended 31 March 2023 a surplus of £445,771 was made on unrestricted funds leaving a surplus on unrestricted funds of £1,957,356.

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.

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.

The charity invests in theatrical productions that they consider having social value that contributes to the charity's own objects and these are classed as mixed motive investments. They are accounted for at fair value based on the charity's share of underlying net assets when information is available. When information is not available, they will be accounted for at cost less a provision for impairment. Any movement in fair value is accounted for as an unrealised investment gain or loss in the statement of financial activities.

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 payables 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 19). 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 Charity 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 2023, the company has 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 2023

4 Grants receivable

As at 31 March 2023

| | Unrestricted Funds £ | Restricted Funds £ | Total 2023 £ |
|---------------------------------|----------------------------|--------------------------|--------------------|
| <u>Core funding</u> | | | |
| Arts Council England | 375,295 | - | 375,295 |
| <u>Project Funding</u> | | | |
| ACE capital Work | - | 1,992 | 1,992 |
| Alter Ego | - | 2,750 | 2,750 |
| Backstage Trust | - | 35,000 | 35,000 |
| Children in Need | - | 10,000 | 10,000 |
| Esmée Fairbairn Foundation | - | 23,000 | 23,000 |
| Goldsmiths Company Charity | - | 3,000 | 3,000 |
| Austin & Hope | - | 5,000 | 5,000 |
| Theatre Trust | - | 5,000 | 5,000 |
| London Borough of Hackney | - | 40,000 | 40,000 |
| Foyle Foundation | - | 50,000 | 50,000 |
| The Dóly Carte Charitable Trust | - | 4,000 | 4,000 |
| | <u>375,295</u> | <u>179,742</u> | <u>555,037</u> |

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> |

Included in Note 4 above are government grants of (2023 & 2022 - £40,000) from London Borough of Hackney.

Notes to the accounts (continued)
For the year ended 31 March 2023

5 Income from trading activities

| | 2023 | 2022 |
|-----------------------------|----------------|----------------|
| | £ | £ |
| Bars and catering income | 314,406 | 187,620 |
| Location and filming income | 306,294 | 146,895 |
| Other income | 86,785 | 32,419 |
| | <u>707,485</u> | <u>366,934</u> |

6 Income from theatre operation

| | 2023 | 2022 |
|-------------------|------------------|------------------|
| | £ | £ |
| Box office | 966,739 | 558,263 |
| Theatre hire | 442,787 | 701,814 |
| Merchandise | 55,322 | 28,204 |
| Booking fees | 75,114 | 48,665 |
| Theatre recharges | 250,311 | 143,572 |
| Other income | 6,313 | 1,432 |
| | <u>1,796,586</u> | <u>1,481,950</u> |

7 Fundraising costs

| | 2023 | 2022 |
|----------------------|---------------|---------------|
| | £ | £ |
| Staff costs | 40,077 | 41,515 |
| Fundraising expenses | 5,243 | 8,409 |
| | <u>45,320</u> | <u>49,924</u> |

Hackney Empire Limited

Notes to the accounts (continued)
For the year ended 31 March 2023

8 Cost of trading activities

| | Unrestricted Funds | Restricted Funds | Total Funds 2023 |
|------------------------------------|-----------------------|---------------------|------------------------|
| | £ | £ | £ |
| Staff and staff-related costs | 199,536 | - | 199,536 |
| Marketing | 132,196 | - | 132,196 |
| Legal and Professional | 7,875 | - | 7,875 |
| Premises and general running costs | 8,791 | - | 8,791 |
| Overhead/administration costs | 46,409 | - | 46,409 |
| Governance costs | 6,958 | - | 6,958 |
| | <u>401,765</u> | <u>-</u> | <u>401,765</u> |

9 Costs of operation of the theatre

| | Unrestricted Funds | Restricted Funds | Total Funds 2023 |
|------------------------------------|-----------------------|---------------------|------------------------|
| | £ | £ | £ |
| Staff and staff-related costs | 1,012,594 | 51,000 | 1,063,594 |
| Depreciation | 26,856 | 651,830 | 678,686 |
| Promoters/production costs | 612,909 | 34,702 | 647,611 |
| Education | 4,918 | 5,000 | 9,918 |
| Publicity | 164,663 | - | 164,663 |
| Premises and general running costs | 540,771 | 13,640 | 554,411 |
| Overhead/administrative costs | 6,006 | 10,000 | 16,006 |
| Governance costs | 80,958 | - | 80,958 |
| | <u>2,449,675</u> | <u>766,172</u> | <u>3,215,847</u> |

| | Unrestricted Funds | Restricted Funds | Total Funds 2022 |
|------------------------------------|-----------------------|---------------------|------------------------|
| | £ | £ | £ |
| Staff and staff-related costs | 802,884 | 200,678 | 1,003,562 |
| 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>2,230,328</u> | <u>1,023,567</u> | <u>3,253,855</u> |

Hackney Empire Limited

Notes to the accounts (continued) For the year ended 31 March 2023

10 Net income/(expenditure)

Net income/(expenditure) is stated after charging:

| | 2023 | 2022 |
|--|---------|---------|
| | £ | £ |
| Amounts payable to auditors for audit services- current year | 13,090 | 12,780 |
| Amounts payable to auditors - other service | - | - |
| Depreciation | 678,682 | 667,256 |
| Operating lease payments | 101,264 | 95,089 |

11 People cost

| | 2023 | 2022 |
|--|------------------|------------------|
| | £ | £ |
| Aggregate staff costs are made up as follows: | | |
| Salaries and wages | 1,065,457 | 860,565 |
| Social security costs | 85,862 | 64,892 |
| Pension costs | 19,345 | 14,910 |
| Other staff costs | 8,553 | 11,350 |
| Subtotal | 1,179,217 | 951,717 |
| Professional Fees* | 123,990 | 93,320 |
| Total | 1,303,207 | 1,045,037 |
| Fundraising staff costs (note 7) | 40,077 | 41,515 |
| Staff and staff-related costs of trading activities (note 8) | 199,536 | - |
| Staff and staff-related costs of operation of the theatre (note 9) | 1,063,594 | 1,003,522 |
| | 1,303,207 | 1,045,037 |

| | 2023 | 2022 |
|--|------|------|
| | No. | No. |
| The number of staff receiving a salary over was: | | |
| £60,000 - £69,999 | 1 | 1 |

The total number of employees during the year was 92 (2022: 43) of which 15 were permanent staff and 77 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 £128,006 (2022: £124,304).

Hackney Empire Limited

Notes to the accounts (continued)
For the year ended 31 March 2023

*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.

Notes to the accounts (continued)
For the year ended 31 March 2023

11.1 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 £800 were received from the Trustees during the period (2022: £5,019).

12. 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.

13. Tangible fixed assets

| Group and Charity | Restricted Freehold land and buildings £ | Unrestricted Theatre improve- ments £ | Restricted Theatre improve- ments £ | Unrestricted Fixtures fittings and equipment £ | Total £ |
|-------------------------|--|---|---|--|-------------------|
| Cost | | | | | |
| At 1 April 2022 | 222,758 | - | 18,615,482 | 669,704 | 19,507,944 |
| Additions | - | 162,543 | 15,659 | 37,350 | 215,552 |
| At 31 March 2023 | 222,758 | 162,543 | 18,631,141 | 707,054 | 19,723,496 |
| Depreciation | | | | | |
| At 1 April 2022 | 112,516 | - | 11,580,445 | 587,524 | 12,280,485 |
| Charge for the year | 4,455 | 6,196 | 647,375 | 20,657 | 678,683 |
| At 31 March 2023 | 116,971 | 6,196 | 12,227,820 | 608,181 | 12,959,168 |
| Net book value | | | | | |
| At 31 March 2023 | 105,787 | 156,347 | 6,403,321 | 98,873 | 6,764,328 |
| At 31 March 2022 | 110,242 | - | 7,035,037 | 82,180 | 7,227,459 |

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.

Hackney Empire Limited

Notes to the accounts (continued) For the year ended 31 March 2023

14. Investment in subsidiary

| | 2023 £ | 2022 £ |
|--------------------------------------|-----------|-----------|
| 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% |

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.

| | 2023 £ | 2022 £ |
|--|------------------|------------------|
| Income | 1,672,674 | 1,219,981 |
| Cost of sales | (1,139,758) | (874,262) |
| Administrative expenses | (401,089) | (277,412) |
| Profit / (Loss) on ordinary activities before taxation | 131,827 | 68,307 |
| Corporation tax | 186,270 | 66,807 |
| Profit / (Loss) on ordinary activities after taxation | 318,097 | 135,114 |
| Amount gifted to Hackney Empire Limited | (318,097) | (132,547) |
| Retained profit / (loss) | - | 2,567 |
| Turnover comprised: | | |
| Bar/Catering | 348,693 | 204,560 |
| Pantomime production | 918,464 | 829,080 |
| Location and filming fees | 405,517 | 186,341 |
| | 1,672,674 | 1,219,981 |

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.

14. Investment in subsidiary (continued)

The assets and liabilities of the subsidiary were:

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
| Fixed Asset | - | - |
| Current assets | 660,631 | 295,557 |
| Inventory | 7,693 | - |
| Creditors: amounts falling due within one year | (668,323) | (295,556) |
| Net assets | 1 | 1 |
| Shareholder's funds | 1 | 1 |

15 Other Investments

| | 2023 £ | 2022 £ |
|-------------------------|-----------|-----------|
| Purchase of Investments | 50,000 | - |

16 Debtors

| | Group | | Charity | |
|--|----------------|----------------|----------------|----------------|
| | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| Trade debtors | 51,591 | 28,805 | 45,066 | 21,630 |
| Other taxes | - | - | - | - |
| Prepayments and accrued income | 55,047 | 63,290 | 51,793 | 57,540 |
| Amounts owed by subsidiary undertaking | - | - | 613,884 | 235,633 |
| Corporation tax | 253,075 | 74,102 | - | - |
| | 359,713 | 166,197 | 710,743 | 314,803 |

Notes to the accounts (continued)
For the year ended 31 March 2023

17 Creditors: Amounts falling due within one year

| | Group | | Charity | |
|---------------------------------|----------------|----------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Trade creditors | 84,811 | 196,793 | 79,031 | 174,817 |
| Box office advance seats | 370,547 | 432,561 | 370,547 | 432,561 |
| Other taxes and social security | 89,713 | 71,620 | 89,038 | 97,829 |
| Other creditors and accruals | 262,949 | 240,328 | 214,962 | 176,173 |
| | <u>808,020</u> | <u>941,302</u> | <u>753,578</u> | <u>881,380</u> |

18 Future financial commitments

The group is committed to the total future lease payments:

| | 2023 | 2022 |
|----------------------------|----------------|----------------|
| | £ | £ |
| Land and buildings: | | |
| Within one year | 88,000 | 88,000 |
| Between two and five years | 220,000 | 308,000 |
| Over 5 years | - | - |
| | <u>308,000</u> | <u>396,000</u> |

This represents a 15-year lease over 117 Wilton Way

| | 2023 | 2022 |
|----------------------------|---------------|--------------|
| | £ | £ |
| Office equipment: | | |
| Within one year | 13,706 | 7,089 |
| Between two and five years | - | - |
| | <u>13,706</u> | <u>7,089</u> |

Notes to the accounts (continued)
For the year ended 31 March 2023

19. Restricted Funds

As at 31 March 2023

| Charity and Group | Balance 1 April 2022 £ | Incoming resources £ | Resources used £ | Transfers Between funds £ | Balance 31 March 2023 £ |
|-------------------------------------|---------------------------------|----------------------------|------------------------|------------------------------------|----------------------------------|
| Capital | | | | | |
| Freehold property | 110,242 | - | (4,455) | - | 105,787 |
| Capital projects | 6,835,040 | | (647,375) | 15,656 | 6,203,321 |
| ACE Capital Works | - | 1,992 | - | (1,992) | - |
| Revenue | | | | | |
| Alter Ego | - | 2,750 | (2,750) | - | - |
| Austin & Hope | - | 5,000 | (5,000) | - | - |
| Backstage Trust | - | 35,000 | - | (35,000) | - |
| Children In Need | 4,000 | 10,000 | (4,000) | - | 10,000 |
| Cockayne grant | 23,000 | | (8,640) | (1,360) | 13,000 |
| Esmée Fairbairn Foundation | - | 23,000 | (23,000) | - | - |
| Foyle Foundation | - | 50,000 | - | (50,000) | - |
| Goldsmiths Company Charity | - | 3,000 | (3,000) | - | - |
| Hackney Empire YOF Grant | 5,000 | - | (5,000) | - | - |
| Hello Again | 8,750 | - | (8,750) | - | - |
| Impact Funds | 38,640 | | - | (38,640) | - |
| London Borough of Hackney | | 40,000 | (40,000) | - | - |
| Theatre Trust | - | 5,000 | - | - | - |
| The Churchill Fellowship | 9,202 | - | (9,202) | - | - |
| The Dóyly Carte Charitable Trust | - | 4,000 | - | - | 4,000 |
| Total restricted funds | 7,033,874 | 179,742 | (766,172) | (111,336) | 6,336,108 |

19. 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 programme.

Alter Ego

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

Backstage Trust

Funding towards the Fire Alarm works at Hackney Empire.

Children in Need

£10,000 - This is for Limitless for August 2023 – expenditure from June – Sept 2023. £4,000 - Online workshops with Young People during COVID.

Cockayne grant

Hackney Empire Post Covid-19 Capital Improvement Programme.

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.

Foyle Foundation

Funding towards the LED lighting programme works at Hackney Empire.

Hackney Empire YOF Grant

Support towards creative learning programme.

Hello Again

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

Impact Funds

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

LBH – Service agreement

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

Theatre Trust

Funding towards improvements to the water pumps in the theatre.

The Churchill Fellowship

Support towards specific needs of young people/artists.

The Dóyly Carte Charitable Trust

Support towards Young Producers at Hackney Empire.

Notes to the accounts (continued)
For the year ended 31 March 2023

19. Restricted Funds (continued)

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 |

Hackney Empire Limited

Notes to the accounts (continued)
For the year ended 31 March 2023

20. Unrestricted funds

As at 31 March 2023

| Charity and Group | Balance 1 April 2022 £ | Incoming resources and Tax £ | Resources used £ | Transfers between funds £ | Balance 31 March 2023 £ |
|---------------------------------|---------------------------------|---------------------------------------|------------------------|------------------------------------|----------------------------------|
| General funds | 1,784,069 | 3,359,030 | (2,896,760) | 111,336 | 2,357,675 |
| Total unrestricted funds | 1,784,069 | 3,359,030 | (2,896,760) | 111,336 | 2,357,675 |

As at 31 March 2022

| Charity and Group | Balance 1 April 2021 £ | Incoming resources and Tax £ | 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 |

21. Analysis of net assets between funds

As at 31 March 2023

| | Tangible Fixed assets £ | Investments £ | Net current assets £ | Total £ |
|--------------------------|-------------------------------|------------------|----------------------------|------------------|
| Group and Charity | | | | |
| Restricted funds | 6,509,108 | - | (173,000) | 6,336,108 |
| Designated funds | - | - | - | - |
| Unrestricted funds | 255,220 | 50,000 | 2,052,455 | 2,357,675 |
| | 6,764,328 | 50,000 | 1,879,455 | 8,693,783 |

Hackney Empire Limited

Notes to the accounts (continued) For the year ended 31 March 2023

21. Analysis of net assets between funds (continued)

As at 31 March 2022

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

22. 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 14. A summary of the transactions between the entities is as follows:

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Fee charged by HETL for producing pantomime | 918,464 | 829,080 |
| Recharge of costs by Charity | 544,246 | 395,874 |
| Profits donated to the Charity by gift aid | 318,097 | 132,547 |

At the year-end HETL owed the Charity £620,823. There were no other related party transactions not disclosed elsewhere in these accounts.

Hackney Empire Limited

Notes to the accounts (continued)
For the year ended 31 March 2023

23. Comparative consolidated statement of financial activities

| | Unrestricted Funds £ | Restricted Funds £ | 2022 Total £ |
|--|----------------------------|--------------------------|--------------------|
| Income from: | | | |
| Donations, gifts and legacies | 120,955 | - | 120,955 |
| Grants receivable | 375,295 | 573,730 | 949,025 |
| Investment income | 135 | - | 135 |
| Income from trading activities | 366,934 | - | 366,934 |
| <i>Income from charitable activities</i> | - | - | - |
| Income from running theatre | 1,481,950 | - | 1,481,950 |
| Total income | 2,345,269 | 573,730 | 2,918,999 |
| Expenditure on: | | | |
| <i>Cost of raising funds</i> | - | - | - |
| Fundraising costs | 49,924 | - | 49,924 |
| <i>Charitable activity</i> | - | - | - |
| Cost of operation of the theatre | 2,230,288 | 1,023,567 | 3,253,855 |
| Total expenditure | 2,280,212 | 1,023,567 | 3,303,779 |
| Net income / (expenditure) for the year | 65,057 | (449,837) | (384,780) |
| Transfers between funds | 383,817 | (383,817) | - |
| Corporation tax | 66,806 | - | 66,806 |
| Net movement in funds | 515,680 | (833,654) | (317,974) |
| Opening fund balances as at 1 April 2021 | 1,268,389 | 7,867,528 | 9,135,917 |
| Closing fund balances as at 31 March 2022 | 1,784,069 | 7,033,874 | 8,817,943 |