

Studio Wayne McGregor Limited

Company Registration No. 02985577 | Charity Registration No. 1090055

Trustees' Report and Financial Statements

For the year ended 31 March 2021

STUDIO WAYNE MCGREGOR LIMITED

(A company limited by guarantee)

FOR THE YEAR ENDED 31 MARCH 2021

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

| | |
|-----------------------------------|--|
| REGISTERED CHARITY NAME: | Studio Wayne McGregor Limited |
| TRUSTEES: | Cordelia Barker Ciarán Barr (Chair, Finance & Audit Committee) Stephanie Dittmer Liam Freeman Peter Kenyon Suhair Khan (Chair) Aleks Krotoski Dominique Laffy Caroline Miller (resigned 9 September 2021) Mthuthuzeli November (Appointed 11 March 2021) Jaimie Tapper Louise Verrill (Appointed 7 August 2020) |
| SENIOR STAFF MEMBERS: | Wayne McGregor (Artistic Director) Rebecca Marshall (Executive Director) |
| SECRETARY: | Hazel Singleton |
| REGISTERED OFFICE: | Broadcast Centre, Here East 10 East Bay Lane Queen Elizabeth Olympic Park London E15 2GW |
| BANKERS: | National Westminster Bank plc 11 Upper Street, Islington London N1 0QF |
| LEGAL ADVISORS | Cripps Pemberton Greenish LLP Number 22 Mount Ephraim Tunbridge Wells Kent TN4 8AS |
| REGISTERED AUDITORS: | Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG |
| REGISTERED CHARITY NUMBER: | 1090055 |
| REGISTERED COMPANY NUMBER: | 02985577 |

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EXECUTIVE FORWARD

The impact of the Covid-19 pandemic had a devastating impact across all sectors of the economy in 2020/21, with the cultural sector and performing arts particularly badly affected. Studio Wayne McGregor deftly navigated its way through this unprecedented landscape and by March 2021, had not only survived as a significant cultural player, but had also reached over 30million people through online performances and engaged with thousands of artists around the world through an innovative learning and engagement programmes.

However, the pandemic will continue to impact arts organisations across the months and indeed years to come. As a result, the 2020-2021 financial year was characterised – in stark contrast to 2019-2020 – by the necessary strategic, structural, programmatic and funding pivots to ensure the organisation’s immediate survival and longer-term resilience.

For Studio Wayne McGregor, the suspension of touring and performance work for the whole of the 2020-2021 financial year necessitated an organisational restructure, the swift development of an industry-best practice programme of support for freelance dance artists (upon whom the recovery of the sector is heavily reliant), and the focused development of a revised multi-year business plan.

Studio Wayne McGregor was successful in securing crucial funds from Arts Council England, Department for Digital, Culture, Media & Sport and others that ensured it was able to maintain its most crucial organisational assets: the state-of-the art studio building in Stratford, and Company of world class dance artists.

This business plan and successful fundraising activity ensured not only the financial survival of the organisation in the immediate term, but the security of its creative assets and increasing diversification of earned and voluntary income in the medium term, and the full resumption of our core artistic work by November 2021.

The mental and physical impact on the artists has been a significant focus, and is an area being prioritised as the company returns to rehearsals and performances and looking to the future.

Resilience, innovation and re-invention have long been hallmarks of Studio Wayne McGregor. Looking ahead, 2021-22 is the beginning of a new phase of creative innovation and development with the creation of two new full-length works (to be premiered in spring/summer 2022) with a third to follow in 2023.

Risks to the business will continue to be monitored along with plans to ensure the management team is prepared and supported in the case of future shocks to the system.

Alongside a deepening commitment to artist development and wider engagement work - including a radical new digital R&D project – Studio Wayne McGregor looks forward to a year of preparation and consolidation that will see the organisation become more robust, financially resilient and creatively prepared.



Suhair F Khan
Chair

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report and the audited financial statements for the year ended 31 March 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Company was incorporated on 1 November 1994 and is governed by its Memorandum and Articles of Association as amended by special resolution dated 24 September 2001. The Company is limited by guarantee and has no share capital. The Company was registered as a charity with the Charity Commission on 11 January 2002.

Board makeup of skills is regularly reviewed, particularly when a member resigns, and people with strengths in areas less represented on the board are put forward, often initially by the Artistic Director. In all instances, the individual is usually approached initially by the most relevant Board member, often the Chair and the choice is approved by all members. In 20-21, 2 new members were appointed to fill skill gaps in development and legal (HR).

On appointment Trustees are given the Company's Memorandum and Articles and most recent business plan, the most recent minutes and management accounts, the Board Terms of Reference, a copy of "The Essential Trustee: what you need to know, what you need to do" and the document 'What Studio Wayne McGregor expects from its Trustees'.

The Board of Trustees administers the charity and meets quarterly. The Board monitors the Company's progress against the current business plan. All day-to-day running decisions are made by the Executive Director. All artistic planning and policy decisions are made by the Artistic Director. All Trustees give their time voluntarily and receive no remuneration or other benefits from the charity.

The quarterly Finance & Audit Committee oversees and scrutinizes the finances of the charity in detail and discusses and supports the management in financial and audit matters. The committee meets in advance of and reports back to each Board meeting.

The pay of the senior staff and all staff is reviewed annually and normally increased in accordance with average earnings to reflect a cost of living adjustment. In view of the nature of the charity the Trustees benchmark against pay levels in other similar charities of a similar size operating in the arts sector.

Risk Disclosure

Studio Wayne McGregor has a formal risk management process through which the Senior Management Team identifies the major risks to which the organisation may be exposed. The Company has ranked these by likelihood and impact, culminating in a risk control document within the business plan which is updated and reviewed by the Board every 6 months. By this method, all significant risks, together with current mitigation actions, are reviewed regularly throughout the year by the Trustees. The Trustees are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level. With the advent of the COVID pandemic in 2020 a specific COVID Risk Register was continually updated and presented to Trustees at every meeting of the Expanded Finance & Audit Committee as well as every Board meeting. As we come out of the pandemic, the remaining risks are now incorporated into the main risk register.

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RISK MANAGEMENT

The principal risks and uncertainties identified by the charity are as follows:

Low levels of cash reserves – this is one of two areas of high risk as the Studio will need to apportion any cash not needed to build back post COVID to the interest and capital payments on the loans currently held by the Studio. Once the build back has happened, and the loans are paid off, increasing the cash reserve will then become a top priority.

The impact of the new immigration laws on international dancers is the second area of high risk for the Studio as the Company is renowned for its extraordinary, world-class dancers. Post COVID as we relaunch the company, and are having to hire a larger number of new dancers than in previous years, we are completely dependent on the UK dance training system to provide for us a pool of unique diverse extraordinary UK dancers, or on the immigration system to provide us with work visas for the best, most diverse and individual dancers from around the world.

OBJECTIVES AND ACTIVITIES

The objects for which the Company is established, as set out in the governing document, are:

- To advance education for the public benefit by the promotion of the arts, in particular but not exclusively the art of dance.
- To present, promote, organise, provide, manage and produce dramas, dance, operas, films, broadcasts, concerts, musical pieces, entertainments, exhibitions, tutorials, seminars, courses and workshops, whether on any premises of the Company or elsewhere.

In shaping the Company objectives for the year and planning activities, the Trustees have considered the Charity Commission's guidance on public benefit. The vision that shapes the Company's annual activities remains the promotion and fostering of knowledge and the appreciation of the arts by the provision of opportunities, both as observer and participator, for the education and recreation of the public in the field of dance.

The purpose and aims of Studio Wayne McGregor are intended for the benefit of the public. The Company engages the public through performances, installations, film, learning and engagement workshops, projects, residencies, research presentations and publications. This public engagement stimulates and enhances an understanding about dance and choreographic practice and provides new ways for the public to experience dance. Following the construction of its new building, the Studio also offers affordable studio hire space for a range of artists and organisations.

The Company's work has a wide geographical reach, presenting work and collaborating with partners nationally and internationally. Through all areas of its work, Studio Wayne McGregor strives to be inclusive and celebrates and champions diversity, presenting work in different spaces to engage a wider public beyond the traditional dance audience, and working with a wide range of individuals.

The Company's charitable aims are laid out in the business plan 2018 – 2022 and are monitored and reported on yearly. These are to:

1. Enable the creation of ambitious and broad-reaching work by Wayne McGregor, maintaining his reputation as an artistic visionary.
2. Tour original work by a world-class dance company, retaining and developing dancers of the highest quality.

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OBJECTIVES AND ACTIVITIES (cont.)

3. Support and develop artists to create and distribute their own work, and to develop professional and creative skills.
4. Inspire others to explore, investigate, question and share through creativity.
5. Deliver a world-class programme of Learning and Engagement activity, locally, nationally and internationally.
6. Develop Studio Wayne McGregor as a creative arts space for making.
7. Maintain a resilient business model to support the breadth of activity and allow for opportunities for growth and innovation

REVIEW OF ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

CREATIVE WORK

- Reached 827 with live performances (Woolf Works - 1 live perf)
- Reached 327 with live screenings (Atomos Film - Benoit de la Danse)
- Reached 11,320 with clip of TOC at exhibition at Design Museum
- Reached 425,000 in broadcast (Royal Opera House the Reopening and Royal Ballet All-star Gala – featuring excerpts from Wayne’s works)
- Reached 4,906,811 on online platforms with streaming of full-length performances of past works such as ‘Chroma’, ‘Dyad 1929’, ‘Borderlands’ among others performed by international ballet companies, and new digital contents such as ‘Torus’, ‘No One is an island’, ‘Audrey’ created for Digital Distribution.
- Reached over 25.9 million through online video views
- New creations included Morgen for The Royal Ballet, Torus Film in collaboration with SHOWStudio performed by CWM, No One is an Island in collaboration with Random International and BMW, choreographic scenes of the documentary ‘Audrey’ directed by Helena Coan
- 9 Past works were streamed online (Acis and Galatea, Borderlands, Kairos, Sunyata, Dyad 1929, Chroma, Woolf Works, Winged Bull in the Elephant Case, Atomos)
- WM appointed as the new Director of Dance at La Biennale di Venezia
- WM received the Lifetime Achievement Award at the Prix de Lausanne
- WM featured in 1 Episode of Listen Here podcast (run by Here East)
- SWM in collaboration with Lawrence Batley Theatre commissioned CWM artist Jordan James Bridge to create the new work ‘Locked down. Locked in. But Living’

LEARNING AND ENGAGEMENT

- Reached 35,894 people, including professional dancers, dancers in training, schools, community groups, and those with no prior access to dance
- Delivered RESET, a professional development programme for freelance dancers in response to the pandemic. Over 400 freelance artists engaged with in person and online physical training and skills development activity from August 2020 – March 2021

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- Delivered Living Archive online learning programme using the Google AI choreographic tool to groups in London, Tbilisi, Moscow and Singapore
- Delivered an online dance-film summer school for young people in East London at risk of mental health issues
- Delivered a half term creative residency for East London Dance Youth Group
- Restaged an excerpt of Entity with students from the Conservatoire National De Danse et Musique in Paris with online rehearsals
- Delivered online workshops for University of Chester, Theater de Chemnitz, Towards Vivencia
- Remained an ArtsMark partner and Arts Award supporter
- GCSE dance syllabus contained Infra and was studied by 9,000 students
- Studio Wayne McGregor were selected as a partner for the Weston Jerwood Creative Bursary, a programme that aims to increase recruitment of young people from lower socio-economic backgrounds into the arts. As part of the programme we recruited a new studio programme curator who will develop a programme to be delivered in 2021/22
- Wayne McGregor delivered professional development talks to students at the BRIT School, New York University, Central St Martins, Elmhurst Ballet School, London Contemporary Dance School, The Royal Ballet School
- Delivered in-person workshops at Leicester Ballet School and Northern School of Contemporary Dance
- Associate Director, Odette Hughes, created a new work for students at Elmhurst Ballet School

FINANCIAL REVIEW

- **Only 12.5% (£197k) of total income realised from artistic activity (2020: 49%, £1.23m)**
- **Despite closing for 6 months, studio hire income only down 32% (£69k) on 2020 income**
- **£191k received across the year in Coronavirus Job Retention Scheme (CJRS) to enable staff retention**
- **Successfully applied for Arts Council England (ACE) Emergency Response (ER) funding and two rounds of Cultural Recovery Fund (CRF), providing £472k to cover essential costs**
- **Learning & Engagement income includes £124k of support in kind; excluding it, income was only 34% (£16k) lower than in 2020 (2020: £47k)**
- **£100,000 Arts Impact Loan capital repaid following refinancing with a successful £250k Coronavirus Business Interruption Loan Scheme (CBILS)**
- **Before charging the £217k building depreciation cost, the SOFA would show a £180k surplus on the year (2020: £114k)**
- **Increased investment in staff costs to support the strengthening of the development team, leading to 28% increase in expenditure on raising funds**

With all artistic activity suspended due to the pandemic at the start of the financial year, the company, along with every other in the cultural sector, faced a devastating loss of income and was forced to find as many savings as possible and looked to Arts Council England and others for emergency financial support to stay solvent. Being one of the largest commitments, as many PAYE staff as possible were put on furlough in April to try and retain critical knowledge and experience for when we could restart. The £191k support from the furlough scheme (CJRS) was invaluable during the year and minimised staff rationalisation.

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FINANCIAL REVIEW (cont.)

Normally at the core of our income mix, earned income from artistic activity was minimal. Following successful applications to ER and CRF, the company was able to cover essential costs, look after our company dancers and reach out to offer a lifeline to all freelance dancers through the RESET initiative, benefitting from generous support in kind from Here East for the dedicated space. Some learning and engagement work was

possible which meant we were still able to earn nearly two thirds of the 2020 total. Despite being closed for the first 6 months of the year, we were successful in earning around 70% of the previous year with a number of filming and photoshoots, as access to covid safe locations across London was limited due to the pandemic. The proportion of ACE/CRF funding was an unprecedented 77% of total income, underlining the impact the pandemic was causing to the usual earned income model.

With little income, paying down loan commitments was near impossible. The company managed to secure a £250k CBILS loan with NatWest with a longer repayment period, and although funds would not be released until May 2021, it did enable an immediate £100k capital repayment of the AIF loan to reduce ongoing interest payments. Paying off the loans is a major long-term commitment and one that prevents the building of reserves for artistic activities.

With fundraising an increasingly important area of development for the company, 2020/21 did see some investment in the strategy, structure and resource of the Development Team, having engaged a Development Director at the end of 2019/20. This increased the costs of raising funds, up 27% on the previous year, but the investment was crucial in the success of the emergency funding applications and in setting up the systems for future fundraising.

On the Statement of Financial Activities, the effect of the depreciation on the building construction continues to cloud what would otherwise be another year of surplus. If the £217k annual charge is removed from the overall deficit on the SOFA, the company actually returned a surplus of £180k which in its entirety is supporting the challenging year ahead with opportunities for performance and touring income still minimal with the ongoing changing nature of the virus.

FUNDRAISING POLICY

A mixed model of income generation remains key to Studio Wayne McGregor's fundraising strategy, and we are grateful for the support received this year from trusts and foundations, individuals, local authority, corporate sponsorship, and Arts Council England.

Studio Wayne McGregor employs an in-house development team who specialise in philanthropy and grants fundraising. Studio Wayne McGregor does not employ any third-party professional fundraisers (either individuals or organisations) and has no commercial partners contributing to fundraising efforts.

Studio Wayne McGregor is not yet registered with the Fundraising Regulator. The charity has not received any complaints about fundraising activities. In addition to philanthropy and grants fundraising, Studio Wayne McGregor offers members of the public the opportunity to donate through its website and is committed to fundraising in a way that meets the expectations of the public and respects the rights of all individuals. The company continues to develop a robust GDPR policy to ensure data practices are compliant.

In 2020-2021 we continued to steward and nurture our relationships with funders including Arts Council England, London Legacy Development Corporation, the John Ellerman Foundation, Bloomberg Philanthropies, the Fidelity Foundation and others. We also invested in the organisation's long-held relationships with private philanthropists and continued to develop and diversify funding for our local programme in East London led by our experienced Dance Animateur. In addition to funds from the London Legacy Development Corporation, we secured additional funding from trusts, foundations and other local funds to continue this work.

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Significant effort throughout the 2020-2021 year was focused on securing crucial emergency funding to ensure the organisation's survival in the immediate aftermath of the Covid-19 crisis.

We were successful in securing emergency funds from Arts Council England, as well as from DCMS through the Cultural Recovery Fund. Trusts, foundations, pro-bono and other in-kind support also enabled us to deliver crucial programmes supporting freelance dance artists in the UK and internationally and ensured our Studio building could remain open.

Following the recruitment of a Development Manager (2019) and part-time Director of Development (2020), the development team has created a robust collaborative platform, embedded across the organisation, from which it continues to build on the strategic approaches to fundraising, securing new and strengthening existing relationships with individuals, trusts and foundations and corporate supporters, with further investment in development resource planned for 2021-2022.

RESERVES POLICY

The company's reserves are split across restricted, designated and general, the latter otherwise referred to as free reserves.

The balance of four unspent restricted funds, £70,310, will to be carried forward to 21/22 and it is envisaged that all will be spent in the year.

The designated funds for Building Reserve and Fixed Asset reserve are held to provide for the future depreciation costs of capitalised assets. The annual depreciation charge is shown as expenditure and new additions to the reserve are shown as transfers from General Funds. Holding a designated reserve means that asset depreciation costs are always ringfenced:

Building Reserve – The total cost of the building construction was partly funded by the AIF loan and our own reserves. As the balance of the AIF loan is paid down and General Funds are transferred, to offset the amount being held in the reserve, the Building Reserve value will move closer to the figure in the Fixed Asset note. The balance, £3,817,968 (2020: £3,805,967) is held to provide for future depreciation expense. Until the balances are matching, we are unable to build free reserves.

Fixed Asset Reserve – with new asset purchases of £18,015 and an annual depreciation charge of £35,766, the balance held to provide for future depreciation is £23,650 (2020: £41,401)

The final designated reserve comprises funds allocated towards future re-staging projects that may need additional support. Any surplus on re-staging projects is allocated to this specific reserve and represented as income.

With 97% of all the unrestricted funds held against the asset value of the building, designated funds held to provide for future depreciation and future re-staging works and the remainder being restricted, the company had no free reserves at year end.

FUTURE PLANS

Company Wayne McGregor is relaunching in 2022 with the creation of two new works in the Spring which will be available for UK and international touring. There is strong demand for new works from Wayne, and demand for the Company to bring this work around the world as well as strong interest from co-commissioning partners. Learning work is continuing to build back to pre-covid levels and there are new engagement projects taking place both in and outside the Studio. Funding from Bloomberg Philanthropies in 2021 will kit out the Studio with a state-of-the-art streaming set-up which will be used to not only building our national and

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international partnerships, but will become part of an increased rental offer. Demand for studio space hire continues to help grow the key rental income targets and with a new events programme starting in early 2022, it is hoped to build relationships with new corporate partners, and further support studio space income streams.

Statement of the Board of Trustees' responsibilities for the financial statements

The Trustees, who are also directors of Studio Wayne McGregor for the purpose of Company law, are responsible for preparing the Trustees' Report and the accounts 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 and not approve the financial statements unless they are satisfied that the financial statements give a true and fair view of the state of the affairs of the Charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the year then ended.

In preparing those financial statements which give a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 assume that the charitable Company will continue on that basis

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charitable Company and which enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Each of the directors, who held office at the date of approval of this Trustees' Report, has confirmed that there is no information of which they are aware which is relevant to the audit but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are made aware of such information.

Approved by the Trustees on 10th December 2021

and signed on their behalf by:



Hazel Singleton
Secretary

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STUDIO WAYNE MCGREGOR LIMITED

Opinion

We have audited the financial statements of Studio Wayne McGregor Limited for the year ended 31 March 2021 which comprise the Statement of Financial Activities, Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of the charitable company's net movement in funds, including the 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 charity 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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Opinions on 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' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Annual 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity law and company law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and Charities Act 2011.

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We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

A further description of our responsibilities for the audit of the financial statements is located 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Askew

Senior Statutory Auditor

for and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London EC4R 1AG

10th December 2021

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STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | Restricted | Unrestricted | Total 2021 | Total 2020 |
|---|-------|-----------------|------------------|------------------|---------------|
| Income from | | | | | |
| Donations and Legacies | 4 | 16,750 | 1,028,470 | 1,045,220 | 1,008,366 |
| <u>Charitable activities</u> | | | | | |
| Projects & Performances | 5 | - | 42,607 | 42,607 | 1,188,071 |
| Learning & Engagement | | - | 155,225 | 155,225 | 46,713 |
| Studio Hire | | - | 145,975 | 145,975 | 215,061 |
| Other | 6 | - | 191,044 | 191,044 | 61,295 |
| Investments | 7 | - | 77 | 77 | 1,185 |
| Total Income | | 16,750 | 1,563,398 | 1,580,148 | 2,520,691 |
| Expenditure on | | | | | |
| Raising Funds | 8 | - | 113,469 | 113,469 | 89,543 |
| <u>Charitable Activities</u> | 9 | | | | |
| Projects & Performances | | - | 713,581 | 713,581 | 1,810,448 |
| Learning & Engagement | | 47,760 | 378,042 | 425,802 | 343,615 |
| Studio Hire | | - | 360,613 | 360,613 | 380,245 |
| Total Expenditure | | 47,760 | 1,565,705 | 1,613,465 | 2,623,851 |
| Net income/ (expenditure) for the year | | (31,010) | (2,307) | (33,317) | (103,160) |
| Fund balances at 1 April 2020 | | 101,320 | 3,914,391 | 4,015,711 | 4,118,871 |
| Fund balances at 31 March 2021 | | 70,310 | 3,912,084 | 3,982,394 | 4,015,711 |

All income and expenditure derive from continuing activities.

Full comparatives for the year to 31 March 2020 are shown in note 20.

Movement in funds are disclosed in Note 22.

STUDIO WAYNE MCGREGOR LIMITED

(A Company Limited by Guarantee) Company Number 02985577

BALANCE SHEET

AS AT 31 MARCH 2021

| | Note | £ | 2021 £ | £ | 2020 £ |
|---|------|----------------|------------------|-----------|-----------|
| Fixed Assets | | | | | |
| Building assets | 13 | 4,289,925 | | 4,507,308 | |
| Other tangible assets | 13 | 23,650 | | 41,401 | |
| | | | 4,313,575 | | 4,548,709 |
| Current assets | | | | | |
| Debtors | 14 | 99,930 | | 250,760 | |
| Cash at bank | | 278,036 | | 220,360 | |
| | | 377,966 | | 471,120 | |
| Creditors: amounts falling due within one year | 15 | (93,522) | | (275,111) | |
| Net current assets | | | 284,444 | | 196,009 |
| Long Term Liabilities: | | | | | |
| Arts Impact Fund Loan | 16 | (335,000) | | (435,000) | |
| Rent Accrual | 16 | (280,624) | | (294,007) | |
| Net assets | | | 3,982,394 | | 4,015,711 |
| Charity funds | | | | | |
| Restricted funds | 21 | 70,310 | | 101,320 | |
| Unrestricted fund | 21 | 3,912,084 | | 3,914,391 | |
| Total funds | | | 3,982,394 | | 4,015,711 |

The financial statements were approved by the Trustees on 10 December 2021 and signed on their behalf by:



Suhair Khan (Chair)

The notes on pages 19 to 32 form part of these financial statements.

STUDIO WAYNE MCGREGOR LIMITED

(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

| | Note | 2021 £ | 2020 £ |
|--|------|-----------|-----------|
| Net cash provided by / (used in) operating activities | A | 175,613 | 37,914 |
| Cash flows from investing activities | | | |
| Interest income | | 77 | 1,185 |
| Purchase of tangible fixed assets | | (18,015) | (6,365) |
| Cash provided by / (used in) investing activities | | (17,938) | (5,180) |
| Cash flows from financing activities | | | |
| Loan repayments | | (100,000) | - |
| Cash provided by / (used in) financing activities | | (100,000) | - |
| Increase / (decrease) in cash and cash equivalents in the year | | 57,675 | 32,734 |
| Cash and cash equivalents at the beginning of the year | | 220,359 | 187,625 |
| Total cash and cash equivalents at the end of the year | | 278,035 | 220,359 |

A: RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Net expenditure for the reporting period | (33,317) | (103,160) |
| Adjustments for: | | |
| Increase in rent accrual | (13,383) | (13,343) |
| Investment income | (77) | (1,185) |
| Depreciation charge | 253,149 | 249,903 |
| Other adjustment/reversal of accrued costs | - | 460 |
| (Increase)/decrease in debtors | 150,830 | 37,634 |
| Increase/(decrease) in creditors | (181,589) | (132,395) |
| Net cash provided by / (used in) operating activities | 175,613 | 37,914 |

B: INCREASE IN CASH AND CASH EQUIVALENTS IN THE YEAR

| | Balance 1-Apr 2020 £ | Cash flows £ | Balance 31-Mar 2021 £ |
|---------------------------------|-------------------------------|-----------------|--------------------------------|
| Cash | 220,359 | 57,675 | 278,034 |
| Total cash and cash equivalents | 220,359 | 57,675 | 278,034 |
| Bank loans due >1 year | (435,000) | 100,000 | (335,000) |
| Total | (214,641) | 157,675 | (56,966) |

STUDIO WAYNE MCGREGOR LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Legal status

Studio Wayne McGregor is a company limited by guarantee registered in England and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.2 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (2nd edition, effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Studio Wayne McGregor meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.3 Preparation of accounts on a going concern basis

The Finance & Audit Committee regularly scrutinises management information and financial reports. The company is prudent in terms of income recognition and only recognises income and projections from confirmed artistic activity or funders.

The 2020 COVID-19 pandemic had a material and significant effect on performance, touring, restaging and learning activity, and therefore the organisation's ability to function as it has for over 25 years. However, the trustees are confident that robust and flexible plans, both operational and financial, that enabled the organisation to make it through the initial stages of the pandemic ensure the Charity's ability to continue as a going concern. In particular, continued earned income from studio rentals and the continued investment in fundraising expertise has ensured sufficient income while artistic activity starts to return.

The demand for work by Wayne McGregor and Company Wayne McGregor is strong and evident and now that theatres and other venues are permitted to open, touring and engagement work is now continuing. The Development team have plans in place to maximise fundraising income and demand for hiring the studios continues to be strong. A new affordable loan agreement has been reached with The Arts Impact Fund (AIF) which along with the CBILS loan means the repayment of the loan is more manageable and reducing its impact on overall expenditure.

The review of our financial position and future plans gives trustees confidence the charity remains a going concern for the foreseeable future.

1.4 Income recognition

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

1.5 Grants

Grants receivable are treated in accordance with the Charities SORP and are not recognised until the conditions for recognition have been met. Where cash is received prior to the recognition criteria being met, the income is deferred and held on the balance sheet.

STUDIO WAYNE MCGREGOR LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1.6 Gifts in kind

Gifts in kind represent assets donated for distribution or use by the charity. Assets given for distribution are recognised as incoming resources only when distributed. Assets given for use by the charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the charity would otherwise have paid for the assets.

1.7 Expenditure

Expenditure is analysed as follows:

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned based on estimated usage as a proportion of directly attributable expenditure.

1.8 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purpose. The charity is not exempt from VAT which is included with the expenses to which it relates on the Statement of Financial Activities.

1.9 Foreign currencies

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the date on which transactions occur, except for:

- (i) monetary assets and liabilities which are translated at the rate ruling at the balance sheet date (other than those in (ii) below); and
- (ii) transactions to be settled at a contracted rate and trading transactions covered by a related or matching forward contract which are translated at those contracted rates or matching forward contract which are translated at those contracted rates.

Differences arising on the translation of such items are dealt with in the Statement of Financial Activities.

1.10 Operating leases

Rental charges are charged on a straight-line basis over the life of the lease.

1.11 Fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|-------------------------------|----------------------|
| Office Fixtures & Fittings | 25% pa straight line |
| Studio & Theatrical equipment | 25% pa straight line |
| Construction costs | 4% pa straight line |

Assets costing more than £200 with at a use of more than four years are capitalised.

STUDIO WAYNE MCGREGOR LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1.12 Financial instruments

The charitable company 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.

1.13 Debtors

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

1.14 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.15 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due

1.16 Funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

1.17 Employee benefits

- **Short term benefits**

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

- **Pension scheme**

Studio Wayne McGregor operated an auto-enrolment pension scheme during the year through Smart Pension and all eligible employees were auto-enrolled. Studio Wayne McGregor made employer contributions and those pension costs are included in the financial statements.

2. Judgements and key sources of estimation uncertainty

In preparing the accounts the Trustees are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

STUDIO WAYNE MCGREGOR LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

3. Net income / (expenditure)

This is stated after charging:

| | 2021 | 2020 |
|--|----------|---------|
| Depreciation of tangible fixed assets: | | |
| - Owned by the charity | | |
| - Fixed assets | 35,766 | 32,520 |
| - building | 217,383 | 217,383 |
| - eliminated on disposals | (94,641) | - |
| - Auditors remuneration | | |
| - audit services | 10,500 | 9,000 |
| - other assurance services | 1,250 | - |
| - Payments under operating leases | 74,451 | 118,433 |

At the start of the covid19 pandemic, Here East supported the company and waived a proportion of the rent due.

STUDIO WAYNE MCGREGOR LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

| 4. Income from Donations, Legacies & Grants | Restricted funds 2021 | Unrestricted funds 2021 | Total funds 2021 |
|--|--------------------------------------|--|---------------------------------|
| Arts Council England (NPO) | - | 524,692 | 524,692 |
| Cultural Recovery Fund/Emergency Response Fund | - | 472,168 | |
| Trusts, Foundations & Corporate | 5,000 | 30,000 | 35,000 |
| Local Authorities | 11,750 | - | 11,750 |
| Individuals | - | 1,610 | 1,610 |
| | 16,750 | 1,028,470 | 573,052 |

| 4a. Income from Donations, Legacies & Grants 2020 | Restricted funds 2020 | Unrestricted funds 2020 | Total funds 2020 |
|--|--------------------------------------|--|---------------------------------|
| | 109,720 | 720,212 | 829,932 |
| Arts Council England | 54,575 | 122,000 | 176,575 |
| Trusts, Foundations & Corporate | - | 1,859 | 1,859 |
| Individuals | | | |
| | 164,295 | 844,071 | 1,008,366 |

STUDIO WAYNE MCGREGOR LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

5. Projects & Performances Income

Income was received from the following geographical markets:

| | 2021 | 2020 |
|-------------------|---------------|------------------|
| United Kingdom | 44,533 | 356,469 |
| European Union | (1,927) | 499,843 |
| Rest of the World | - | 329,522 |
| | 42,607 | 1,185,834 |
| Support in Kind | | |
| United Kingdom | - | 2,237 |
| | 42,607 | 1,188,071 |

Nearly all artistic activity suspended due to pandemic, significantly reducing income.

6. Other

| | 2021 | 2020 |
|---|----------------|---------------|
| Coronavirus Job Retention Scheme (Furlough) | 191,044 | - |
| Theatre Tax Credit | - | 61,295 |
| | 191,044 | 61,295 |

7. Investments

| | 2021 | 2020 |
|--------------------------|-----------|------------|
| Bank Interest Receivable | 77 | 317 |

8. Expenditure on Raising Funds

| | 2021 | 2020 |
|--------------------------------|----------------|---------------|
| Direct Costs incl. Staff Costs | 98,098 | 71,208 |
| Support Costs | 15,371 | 18,335 |
| | 113,469 | 89,543 |

Investment in development team staff was a critical intervention to support the organisation during the covid19 pandemic.

STUDIO WAYNE MCGREGOR LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

| 9. Charitable Expenditure | Direct Costs | Support Costs | 2021 |
|----------------------------------|-----------------|------------------|------------------|
| Projects & Performances | 131,271 | 582,311 | 713,582 |
| Learning & Engagement | 276,133 | 149,669 | 425,802 |
| Studio Rental | 11,359 | 349,254 | 360,612 |
| | 418,762 | 1,081,234 | 1,499,996 |

Support costs include all studio and administrative overheads allocated against each strand of charitable expenditure. Limited opportunity for artistic activity led to reduced direct costs.

| 9a. Charitable Expenditure 2020 | Direct Costs | Support Costs | 2020 |
|--|------------------|------------------|------------------|
| Projects & Performances | 1,208,490 | 601,958 | 1,810,448 |
| Learning & Engagement | 251,257 | 92,358 | 343,615 |
| Studio Rental | 9,248 | 370,997 | 380,245 |
| | 1,468,995 | 1,065,313 | 2,534,308 |

| 10. Support Costs | 2021 | 2020 |
|-------------------------------|------------------|------------------|
| Artistic Staff & Costs | 396,080 | 147,162 |
| Office & Administration Costs | 125,579 | 305,840 |
| Building Costs | 256,539 | 332,543 |
| Depreciation | 240,492 | 237,369 |
| Governance Costs | 62,544 | 60,735 |
| | 1,081,234 | 1,083,649 |

No major variance in total support costs but changes to staff designations led to variances in artistic and administrative costs. Saving in rent costs reduced total building costs.

STUDIO WAYNE MCGREGOR LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

| 11. Governance Costs | 2021 | 2020 |
|--------------------------------|---------------|-------------|
| Salaries | 17,090 | 12,403 |
| Audit fees and other assurance | 11,750 | 9,000 |
| Other | 33,703 | 39,332 |
| | 62,543 | 60,735 |

| 12. Fees and Salaries | 2021 | 2020 |
|-----------------------------------|----------------|-------------|
| Staff fees, salaries and pensions | 538,103 | 679,789 |
| Dancers' fees and pensions | 123,423 | 340,556 |
| Technical fees | - | 53,883 |
| Employer National Insurance | 40,171 | 52,733 |
| Redundancies | 13,719 | - |
| | 715,417 | 1,126,961 |

No touring activity undertaken in the year so freelance technical fees nil.
Dancer fees significantly reduced but supported by the company. Staff wage bill reduced through furlough, pay restraint and redundancy.

The average number of staff employed during the year was:

| | 2021 | 2020 |
|----------------|-------------|-------------|
| Artistic | 11 | 10 |
| Administrative | 10 | 14 |
| | 21 | 24 |

| | 2021 | 2020 |
|---|-------------|-------------|
| The average number of dancers contracted during the year was: | 5 | 10 |

No member of staff was paid between £60-£70k in the year (2020: nil)

No Trustees were reimbursed any expenses, during the year (2020: £nil).

Trustee, Jaimie Tapper, received remuneration of £150 in the year for delivering workshops, as part of the RESET programme. (2020: nil)

The total remuneration paid to key management personnel in the year was £103,098 (2020: £112,123). The key management personnel are considered to be the Artistic Director and Executive Director.

STUDIO WAYNE MCGREGOR LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

13. Tangible Fixed Assets

| | Fixtures & Fittings | Building | Total |
|-----------------------|------------------------|------------------|------------------|
| Cost | | | |
| As 1 April 2020 | 459,374 | 5,153,629 | 5,613,003 |
| Additions | 18,015 | - | 18,015 |
| Disposals | (94,641) | - | (94,641) |
| At March 2021 | 382,748 | 5,153,629 | 5,536,377 |
| Depreciation | | | |
| At 1 April 2020 | 417,973 | 646,321 | 1,064,294 |
| Disposals | (94,641) | - | (94,641) |
| Charge for the year | 35,766 | 217,383 | 253,149 |
| At March 2021 | 359,098 | 863,704 | 1,222,802 |
| Net book value | | | |
| At 31 March 2021 | 23,650 | 4,289,925 | 4,313,575 |
| At 31 March 2020 | 41,401 | 4,507,309 | 4,548,710 |

STUDIO WAYNE MCGREGOR LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

| 14. Debtors | 2021 | 2020 |
|--------------------------------|---------------|-------------|
| Trade Debtors | 34,357 | 84,679 |
| Other Debtors | 5,113 | 11,235 |
| Prepayments and Accrued Income | 60,459 | 154,846 |
| | 99,929 | 250,760 |

Prepayments usually related to future touring costs but there were no touring costs across year end. 60% debtors value is CRF grant balance and CJRS accrued income, plus insurance prepayments.

| 15. Creditors | 2021 | 2020 |
|------------------------------------|---------------|-------------|
| Trade Creditors | 6,769 | 56,159 |
| Other Taxation and Social Security | 12,581 | 15,746 |
| Accruals | 35,409 | 24,609 |
| Deferred Income | 38,762 | 178,597 |
| | 93,522 | 275,111 |

16. Loans and Rent Accrual

Studio Wayne McGregor took a £500k loan from Arts Impact Fund (AIF) to support the cashflow for the capital project in February 2017. The original agreement gave 4 years to repay the loan on an interest only basis at 6% with a final lump sum due on 30/4/2021. £65k of the capital was paid down in March 2019 and a further £100k in March 2021. The repayment terms for the remaining £335k have been renegotiated on a capital and interest basis over the next 4 years, ending in March 2025.

A £250k Coronavirus Business Interruption Loan (CBILS) was agreed in principle prior to year end but funds were not drawn down until May 2021. The intention was to refinance the AIF loan in order to have a longer repayment period at a reduced interest rate. With covid19 reducing the ability of the company to generate income in the 21/22 financial year, the CBILS facility would increase the time to repay the loan whilst normal income streams were gradually re-established.

Under the terms of its lease, Studio Wayne McGregor was granted a two year rent free period plus one year at half rent at the start of the lease. In accordance with FRS 102, the cost of the rent for the life of the lease must be recognised on a straight line basis over the 25 year lease period. Although no rent was actually paid in 2017 and 2018 the apportioned rent costs for these periods was recognised as an accrued expense in the Statement of Financial Activities in those financial years. An equal proportion of these accrued expenses will be released each year across the remainder of the 25 year lease, and the balance of the creditor will reduce to zero by 2042. The effect of this accounting treatment reduces the level of reserves the company holds when compared with its cash balances.

The element of the rent accrual which was released from 2019/20 onwards is represented on the balance sheet as a long-term liability as, although it is an accrual, it is not a cash creditor due within 12-months of the end of the accounting period.

STUDIO WAYNE MCGREGOR LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

| 17. Analysis of Deferred Income | 2021 | 2020 |
|--|------------------|-------------|
| At 1 April | 178,597 | 90,522 |
| Released to income in the year | (178,597) | (90,522) |
| Deferred in the year | 38,792 | 178,597 |
| | <hr/> | <hr/> |
| At 31 March | 38,792 | 178,597 |
| | <hr/> | <hr/> |

Deferred income relates to fees for company performances and studio hires to take place in the following financial year.

18. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purpose. The charity VAT registered with a partial exemption for irrecoverable VAT which is included with the expenses to which it relates on the Statement of Financial Activities.

19. Operating Lease Commitments

At the year end, the charity was committed to the following future minimum lease payment in respect of operating leases:

| | Land and buildings | |
|------------------------|---------------------------|-------------|
| | 2021 | 2020 |
| In less than one year | 160,162 | 140,535 |
| One year to five years | 837,363 | 811,850 |
| Longer than five years | 3,142,822 | 3,328,497 |
| | <hr/> | <hr/> |
| | 4,140,347 | 4,280,882 |
| | <hr/> | <hr/> |

The 25 year lease has one break clause at the end of the 15th year, 8/5/2031. Breaking the lease requires 9 months prior notice, 8/9/2030. Rent increases are fixed for the whole lease term and are included above.

STUDIO WAYNE MCGREGOR LIMITED

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2020

20. Comparative SOFA (2020)

| | Restricted 2020 | Unrestricted 2020 | Total 2020 |
|---|--------------------|----------------------|------------------|
| Income from | | | |
| Donations and Legacies | 164,295 | 844,071 | 1,008,366 |
| <u>Charitable activities</u> | | | |
| Projects & Performances | - | 1,188,071 | 1,188,071 |
| Learning & Engagement | - | 46,713 | 46,713 |
| Studio Hire | - | 215,061 | 215,061 |
| Other | - | 61,295 | 61,295 |
| Investments | - | 1,185 | 1,185 |
| Total Income | 164,295 | 2,356,396 | 2,520,691 |
| Expenditure on | | | |
| Raising Funds | - | 89,543 | 89,543 |
| <u>Charitable Activities</u> | | | |
| Projects & Performances | - | 1,810,448 | 1,810,448 |
| Learning & Engagement | 159,334 | 184,281 | 343,615 |
| Studio Hire | - | 380,245 | 380,245 |
| Total Expenditure | 159,334 | 2,464,517 | 2,623,851 |
| Net income (expenditure)/income for the year | 4,961 | (108,121) | (103,160) |
| Fund balances at 1 April 2019 | 96,359 | 4,022,512 | 4,118,871 |
| Fund balances at 31 March 2020 | 101,320 | 3,914,391 | 4,015,711 |

STUDIO WAYNE MCGREGOR LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

21. Statement of Funds

| | Brought Forward | Income | Expenditure | Transfers | Carried Forward |
|--|------------------|------------------|--------------------|----------------|------------------|
| Designated Funds | | | | | |
| Building Reserve | | | | | |
| - net book value of building | 4,507,309 | - | (217,383) | - | 4,289,926 |
| - Arts Impact Fund loan | (435,000) | - | - | 100,000 | (335,000) |
| - value held in general funds | (266,342) | - | - | 132,827 | (133,515) |
| | <u>3,805,967</u> | <u>-</u> | <u>(217,383)</u> | <u>232,827</u> | <u>3,821,411</u> |
| Fixed Assets Reserve | 41,401 | | (35,766) | 18,015 | 23,650 |
| Licensing Reserve | 67,023 | - | - | - | 67,023 |
| | <u>3,914,391</u> | <u>-</u> | <u>(253,149)</u> | <u>250,842</u> | <u>3,912,084</u> |
| General Funds | | | | | |
| General Funds | - | 1,563,398 | (1,312,556) | (250,842) | - |
| Total Unrestricted Funds | <u>3,914,391</u> | <u>1,563,398</u> | <u>(1,565,705)</u> | <u>-</u> | <u>3,912,084</u> |
| Restricted Funds | | | | | |
| Ambition for Excellence (Arts Council England) | 90,125 | - | (29,664) | - | 60,461 |
| PEER Learning (Idlewild Trust) | 3,247 | - | (1,275) | - | 1,972 |
| Shoreditch & Hackney Art Fund (LB Hackney) | - | 7,750 | - | - | 7,750 |
| Young Leader (LB Hackney) | - | 4,000 | (3,873) | - | 127 |
| Garrick Charitable Trust | - | 5,000 | (5,000) | - | - |
| Dance Animateur (LLDC, LBTH, Loughborough Uni) | 4,948 | - | (4,948) | - | - |
| Garden Project (D'Oyly Carte Foundation) | 3,000 | - | (3,000) | - | - |
| Total Restricted Funds | <u>101,320</u> | <u>16,750</u> | <u>(47,760)</u> | <u>-</u> | <u>70,310</u> |
| | <u>4,015,711</u> | <u>1,580,148</u> | <u>(1,613,465)</u> | <u>-</u> | <u>3,982,394</u> |

The Building Reserve designated fund is designed to show the studio construction costs as an asset separately from the Fixed Assets reserve and General Funds. The expenditure of £217,383 represents the depreciation charge. The value of the fund is limited by the charity's net assets position, as the designation value cannot create a deficit on the charity's general funds position.

The Fixed Assets Reserve designated fund is designed to show office and technical assets separately from General Funds which are freely for expenditure. The transfer of £18,105 represents addition capital purchases and expenditure of £35,766 represents the depreciation charge for the year.

The Licensing reserve holds any surplus to the re-staging work the company undertakes in order to support future licensing work that may need additional support to ensure it can be delivered.

Arts Council England, through the Ambition for Excellence programme, supported QuestLab Network an artist development programme bringing together dance artists and technologists. This was the final year of a three-year commitment, with the final instalments scheduled to be received in the following financial.

The PEER programme is supported by Idlewild Trust through a grant received in 19/20. The programme offers a range of interactions for recent dance graduates with the Studio to further develop the skills needed to prepare for a portfolio career and to gain exposure to life as a professional dancer alongside mentoring and development of a peer network. The programme was paused due to the pandemic and remaining funds will be spent on a closing event in Autumn 2021.

STUDIO WAYNE MCGREGOR LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

cont.

We were awarded a grant of £15,500 from Hackney Council as part of the Shoreditch and Hoxton Art Fund. We will work with stroke survivors and young people from the targeted ward to create a new dance film by Ravi Deepres which will be shown at the Autograph Gallery and Studio Wayne McGregor in Winter 2021.

We received a grant of £4,000 from Hackney Council as part of their Discover Young Hackney programme to deliver a youth dance programme in partnership with BADU Community, a community and sports organisation based at Here East.

We received a grant of £5,000 from the Garrick Charitable Trust to support RESET, our programme to support freelance dancers with practical training and professional development sessions throughout the pandemic.

The Dance Animateur post, originally supported by grants from London Legacy Development Corporation (LLDC), the London Borough of Tower Hamlets and Loughborough University to support the delivery of workshops in the local community and to support activity within the Studio, is now a core staff cost with fundraising targets attached.

We received a grant from the D'Oyly Carte Foundation to support our work at The Garden School for young people on the autistic spectrum. As a result of the pandemic and resulting school closures we were unable to deliver the project so requested to redirect the funding to core which was approved by the Foundation.

22. Analysis of Net Assets Between Funds

| | Restricted funds 2021 | Designated funds 2021 | Unrestricted funds 2021 | Total funds 2021 | Total funds 2020 |
|----------------------------------|-----------------------------|-----------------------------|-------------------------------|------------------------|------------------------|
| Tangible fixed assets (building) | - | 4,156,411 | 133,514 | 4,289,925 | 4,507,308 |
| Other tangible fixed assets | - | 23,650 | - | 23,650 | 41,401 |
| Current assets | 70,310 | 67,023 | 240,633 | 377,966 | 471,120 |
| Current liabilities | - | - | (93,522) | (93,522) | (275,111) |
| Long term Liabilities | - | (335,000) | (280,624) | (615,624) | (729,007) |
| | 70,310 | 3,912,084 | - | 3,982,394 | 4,015,711 |

23. Related Party Transactions

The aggregate donations received from the Trustees was £600 (2020: £1,250)

There were no related party transactions in the year.

(2020: £9,970 - Cripps LLP, legal advice. P Kenyon (a Trustee) is a partner at Cripps LLP. Services were commissioned on an arms-length basis)

24. Pension Contributions

The company contributed to an auto-enrollment scheme for its employees and dancers. The contributions payable are charged to the statement of financial activities. Pension contributions for the year amounted to £12,407 (2020: £17,078)