

Studio Wayne McGregor Limited

Company Registration No. 02985577 | Charity Registration No. 1090055

Trustees' Report and Financial Statements

For the year ended 31 March 2022

STUDIO WAYNE MCGREGOR LIMITED

(A company limited by guarantee)

FOR THE YEAR ENDED 31 MARCH 2022

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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 (Stepped down 6 Oct 2022) Ciarán Barr (Chair, Finance & Audit Committee) Stephanie Dittmer Liam Freeman Peter Kenyon Suhair Khan (Chair) Aleks Krotoski (Stepped down 9 Jun 2022) Mthuthuzeli November Jaimie Tapper Louise Verrill Dominique Laffy (Stepped down 14 Jan 2022)
SENIOR STAFF MEMBERS:	Wayne McGregor (Artistic Director) Rebecca Marshall (Executive Director)
SECRETARY:	Rebecca Marshall
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

21/22 has continued to see Studio Wayne McGregor – and the cultural sector more widely – grapple with the ongoing impacts of the global Covid-19 pandemic, including the effects of the Omicron variant wave from winter 2021. As a result of this and other ongoing structural and operational shifts and disruptions, 2021/22 has been a year of consolidation, consideration and change for SWM, accompanied by necessary strategic, operational, creative and financial pivots.

Looking back: 2021/2022

Despite these ongoing challenges, 21/22 saw a welcome return to the creative activity for which SWM remains globally recognised, and we are exceptionally proud to have reached more than 125,000 people through our live performances in 11 countries; more than 14,000 people through our learning and engagement programmes in the UK and internationally; and an astonishing, 500 million people around the world through multimedia, streaming and broadcast projects.

The year saw our return to the stage with McGregor's acclaimed The Dante Project for The Royal Ballet, the performance of 4 works by Company Wayne McGregor, and 6 works restaged at 9 international ballet companies.

2021 also marked the first year of McGregor's tenure as Director of Dance for the Venice Biennale, and the broadcast of BBC One's imagine... Wayne McGregor: Dancing on the Edge which brought McGregor and his work to an estimated audience of 1 million viewers.

Alongside these successes, however, only 5.6% (£148k) of the total income from the year was earned from activity. The organisation was successful in making appropriate and prudent savings and securing funds from the DCMS Cultural Recovery programme in order to remain financially viable, and SWM remains grateful to the Arts Council and DCMS for their continued collaboration and support.

Challenges and opportunities

Cash flow remains the most critical issue for the studio going into the next financial year. The touring model on which SWM had fiscally depended pre-pandemic remains financially precarious, environmentally damaging, and operationally resource intensive. At the same time, we recognise that rapid technological advances have far-reaching potential for our work, and the cultural experience more broadly. As such, 21/22 saw deep continued reflection on the strategic direction of SWM, particularly as we developed our proposal to remain part of the Arts Council's 'National Portfolio' for 2023-2026.

As we emerge into a fundamentally changed cultural landscape, SWM is excited to remain at the forefront of the intersection of art and technology through explorations with projects embracing hybrid reality, machine learning and robotics.

We look forward to deepening and developing our commitment to freelance and interdisciplinary artists, and evolving the use of our world-class studio space, and our new *Smart Studio*, funded by Bloomberg Philanthropies, to support both commercial income generation and radical creative freedom for our creative communities. We are expanding our Artists-in-Residence program to support and engage with these new infrastructures.

Strategic thinking for 2022 and beyond

We have established focused working groups working with Board-oversight on the impact of SWM's efforts to address our impact on the Environmental crisis as well as to support and develop our strategies around Inclusivity. These issues are now being monitored and actioned and championed at Board level.

Given the ongoing challenges, the focus of the Board of Trustees has and will be on cash flow management over the next period, to ensure expenditures and incoming cash are being tracked and carefully managed. With funding of £524,692 from the Arts Council confirmed for 22-23 and a further £1,574,076 for 23-26 we will continue to oversee a rigorous financial strategy. With good governance and management frameworks in place, the executive management team at Studio Wayne McGregor will maintain a focus on financial recovery.

The Arts Council's support is a significant additional validation of the studio's continuously groundbreaking creative vision and roadmap. Going into 2022, we are excited to see the development of new models of artistic practice and dissemination; we are confident and thrilled that Studio Wayne McGregor is well placed to blaze new trails for dance, interdisciplinary creativity and physical intelligence.



Suhair F Khan
Chair

Date: 23 March 2023

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

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

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 21-22, 3 existing long-term members stepped down.

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 scrutinises 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.

RISK MANAGEMENT

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

Reserve Levels: It has been agreed at board level that SWM will need to continue to apportion any surplus cash not needed to build back capacities and resource post Covid-19 to the interest and capital payments on the loans currently held by SWM. Once appropriate resource has been built back and loans commitments are

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paid off, increasing the cash reserve will become SWM's top financial priority. The Finance and Audit Committee of the board will continue to closely monitor financial performance, with a focus on ensuring a sustainable cash position, the delivery of planned activity, and SWM as a viable going concern.

Impact on engagement of international dancers as immigration laws become more complex. The impact of the new immigration laws on international dancers is the second area of high risk for SWM. Studio Wayne McGregor is renowned for its extraordinary, world-class dancers, and as we look to the future, and a changing artistic and activity model, we will likely see a need to audition for and hire a wider pool of dancers for shorter term contracts and projects, and so we are significantly more dependent on the UK dance training pathways to ensure we can maintain a uniquely diverse and extraordinary company of dancers, or on the immigration system to ensure we can obtain work visas for diverse dance talent 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 participant, 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 2022 – 2023 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. Create, perform and share new ground-breaking artistic work by Wayne McGregor and Company Wayne McGregor across a mixed-reality spectrum.

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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 community-led programmes that offer life-long creative pathways, and through impactful and engaged live and digital experiences.
5. Establish and develop our state-of-the-art studio space as a creative arts space for making and collaborating, and leverage the commercial potential of the space to support the delivery of our charitable and cultural mission.
6. Redefine a resilient business model for a post-pandemic market and sector, encompassing a diverse mix of earned, fundraised and statutory income to support the organisation's full scope of activity, and allow for renewed growth and necessary innovation in a post-pandemic cultural climate.

REVIEW OF ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

CREATIVE WORK

- Reached 127,046 with 237 live performances across 11 countries
- New creations included *The Dante Project* for The Royal Ballet, choreography for *ABBA Voyage* and site-specific engagement performance *A Dance Response in Memoriam* for 40 local dancers and students from Weston College with dancers from Company Wayne McGregor
- Company Wayne McGregor performed 4 works, including the live performance premiere of *No One is an Island* at Frieze Festival, a performance of *Future Self* at the Venice Biennale Danza and excerpts from *Autobiography* and *FAR* as part of the Night for Ukraine and Dance for Ukraine galas at the Roundhouse and London Coliseum, respectively
- 6 works restaged at 9 international ballet companies
- Licenced work to 2 educational institutions: Estúdios Victor Córdon (*Entity*) and Biennale College Danza (*FAR*)
- Reached 280 with live screenings of HOME film at Autograph Gallery and PRISMATIC 'Home' event at Studio Wayne McGregor
- Reached 35,250 with video and research work at exhibitions at Centre Pompidou and Taiwan Contemporary Culture Lab
- Reached an estimated audience of 535 million in TV and radio broadcast with content such as BBC One's *imagine... Wayne McGregor: Dancing on the Edge* and Venice Biennale Danza coverage and documentaries on international platforms
- Reached over 23.7 million through online video views including streaming of full-length performances of works such as *The Dante Project*, *Dyad 1929*, *Morgen*, *Sunyata*, *Kairos*, and *EDEN | EDEN* among others performed by international ballet companies as well as streaming of talks at FTWeekend Festival, Business of Fashion Voices Conference and *The Dante Project* insight event at the Royal Opera House
- WM inaugural programme as Director of Dance of the Venice Biennale, titled *FIRST SENSE*, ran from 23 July-1 August in Venice, Italy, with performances by over 100 artists including Germaine Acogny, Oona Doherty, Olivier de Sagazan, Pam Tanowitz and Hervé Koubi amongst others
- WM featured in 1 episode of the talkArt podcast and the CultureBlast podcast

LEARNING AND ENGAGEMENT

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- Reached 14,737 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, featuring online physical training and skills development activity from April to May 2021
- Delivered Biennale Danza College in Venice from May to August 2021, a professional development programme featuring classes, workshops as well as learning established repertoire and new creations. The first week of the college featured introductory sessions led by WM on choreography and choreographic tools. A documentary on the Biennale Danza College was broadcast on Italian channel Rai 5 in September 2021 to an audience of 95,754
- Created a site-specific dance piece as part of Weston Arts + Health Week titled *A Dance Response to In Memoriam*, featuring forty students and members of the local community as well as dancers from Company Wayne McGregor in Weston Super Mare
- Created HOME film in partnership with Museum of the Home and Shoreditch and Hoxton Art Fund, featuring members of the Shoreditch Trust Stroke and students from New City College in Hackney
- Delivered project with SENSE that brought together Studio Wayne McGregor and choreographer Lisa Simpson's practice to inform SENSE's inclusive dance programme
- A solo from *Yugen* was included as part of the 'Contemporary Variations' section of the Prix de Lausanne 2022 competition
- Hosted two events aimed at welcoming the local community into Studio Wayne McGregor as part of the PRISMATIC event series
- Associate Director, Odette Hughes, created new works for students at Northern School of Contemporary Dance and Elmhurst Ballet School
- Staged an excerpt of *Entity* with students from the Estúdios Victor Córdon in Lisbon, and begun rehearsals of staging an excerpt of *PreSentient* at The Royal Ballet School and an excerpt of *Atomos* at Elmhurst Ballet School
- Delivered SWM Youth Dance Company weekly sessions at Studio Wayne McGregor alongside a one-week dance and choreography half-term intensive in October 2021 and February 2022
- Delivered a summer school for young people as part of the Epsom College summer programme as well as leading creative sessions as part of The Royal Ballet Summer School
- Delivered Living Archive online learning programme using the Google AI choreographic tool to a group in Tbilisi, Georgia
- Delivered online workshops and sessions for Bartlett School of Architecture, Beyond the Box, Theatre Chemnitz, Rubicon Dance, Sense Arts, EurAsia and Companhia Paulo Ribeiro
- Delivered in-person workshops for The Royal Ballet School, Hackney Academy, Lister Community School and Headway East London
- Delivered mock auditions at Trinity Laban, The Place and Elmhurst Ballet School

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- Delivered an event at the Studio to conclude the end of the PEER programme including workshops and sharings
- Delivered a networking event to celebrate QuestLab Network at the Studio, bringing together all participating artists for a day of reflection and celebration led by Jasmine Wilson and Emma McFarland
- QuestLab Network artist Jo Cork shared her seed funded project at the Studio as part of an event for an invited audience, facilitated by Jasmine Wilson
- Hosted third year Interior Design students from Kingston University at the Studio to explore the space as part of a study trip as well as student visit to the Studio with London Legacy Development Corporation as part of the East Careers week

FINANCIAL REVIEW

- **Only 5.61% (£148k) of total income realised from artistic activity (20/21: 12.5% £197k)**
- **Studio hire realised 16.3% of total income with Omicron having an impact and fall through of PRG hire**
- **Learning & Engagement income was 16.1% (£68k) of total income (up 30% on 20/21 £47k)**
- **22% proportion of total income from Arts Council England NPO grant (20/21: 29%)**
- **Income from Arts Council Cultural Recovery Funds 1 and 2 contributed 19.6% to total income**
- **Repayments of £16,383 were made to Arts Impact Fund loan from December to March**
- **Before charging the £217k building depreciation cost, the SOFA would show a £184k surplus on the year (2021: £120k)**
- **Increased investment in staff costs to support the strengthening of the Development team, leading to 49% increase in expenditure on raising funds (20/21 saw 28% increase)**
- **Dancers on PAYE in 20/21 cost £118k, with the move to freelance in 21/22 costing £92k i.e., £26k decrease in costs with the new model**

Financial Year 21/22 still heavily carried the impact of the pandemic. Emerging from national tiered systems and a new variant Omicron in Autumn 2021, meant income from earned activity was still minimal and remained at pandemic levels. The company, along with every other in the cultural sector was forced to find as many savings as possible and received Arts Council England emergency support (CRF 1 and CRF 2 total £472,168) to stay solvent. Without previous year's support in the form of furlough, core income was even lower and the business relied on the cash surplus from last year, which arose due to the Arts Council emergency package.

The financial model of the business was reviewed, making pivotal decisions on our dancers PAYE/freelance status and a move away from reliance on touring income to sources closer to home such as rentals and fundraising. Normally at the core of our income mix, earned income from artistic activity was minimal.

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

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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 2021-2022 we continued to steward and nurture our relationships with funders including Arts Council England, Bloomberg Philanthropies, The Ironmongers' Company, The D'Oyly Carte Charitable Trust, Shoreditch and Hoxton Art Fund, London Borough of Hackney 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.

Significant effort throughout 2021-2022 continued to be focused on securing crucial emergency funding to ensure the organisation's survival and recovery 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 Head of Development (2021), the development team continues to build on the strategic approaches to fundraising. Further investment in development resource is planned for 2022-2023 as the Development Manager transitioned to support digital projects and the development of the 'Smart Studio'. Thanks to the funding from the Weston Jerwood Creative Bursaries programme benefitting applicants from lower socio-economic backgrounds, we recruited our first Studio Programme Curator (April 2021). This post has further supported our commitment to diversifying our audiences and making our studio a creative destination.

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, £168,580 will to be carried forward to 22/23 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, £3,390,854 (2021: £3,821,411) is held to provide for future depreciation expense. Until the balances are matching, we are unable to build free reserves.

Fixed Asset Reserve – with an annual depreciation charge of £25,216, the balance held to provide for future depreciation is £47,088 (2021: £23,650)

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The final designated reserve comprises funds allocated towards future re-staging projects (2022 and 2021: £67,023) 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 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

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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

and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Rebecca Marshall', written in a cursive style.

Rebecca Marshall
Secretary

Date: 23 March 2023

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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 2022 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 2022 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 pages 10 and 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 accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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**

Date: 29 March 2023

STUDIO WAYNE MCGREGOR LIMITED

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Restricted	Unrestricted	Total 2022	Total 2021
Income from					
Donations and Legacies	4	207,372	732,340	939,712	1,045,220
<u>Charitable activities</u>					
Projects& Performances	5	-	80,006	80,006	42,607
Learning & Engagement		-	68,412	68,412	155,225
Studio Hire		-	228,532	228,532	145,975
Other	6	-	31,417	31,417	191,044
Investments	7	-	73	73	77
Total Income		207,372	1,140,779	1,348,152	1,580,148
Expenditure on					
Raising Funds	8	-	169,134	169,134	113,469
<u>Charitable Activities</u>	9				
Projects& Performances		-	777,718	777,718	713,581
Learning & Engagement		187,384	185,816	373,199	425,802
Studio Hire		-	413,908	413,908	360,613
Total Expenditure		187,384	1,546,576	1,733,960	1,613,465
Net income/ (expenditure) for the year before transfers		19,989	(405,797)	(385,808)	(33,317)
Transfer between funds		(46,718)	46,718	-	-
		(26,730)	(359,078)	(385,808)	(33,317)
Fund balances at 1 April 2021		70,310	3,912,084	3,982,394	4,015,711
Fund balances at 31 March 2022		43,580	3,553,006	3,596,586	3,982,394
		0	0	0	

All income and expenditure derive from continuing activities.

Movement in funds are disclosed in Note 22.

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

STUDIO WAYNE MCGREGOR LIMITED

(A Company Limited by Guarantee) Company Number 02985577

BALANCE SHEET

AS AT 31 MARCH 2022

	Note	2022	2021
		£	£
Fixed Assets			
Tangible assets	13	47,088	23,650
Capital project assets	13	4,072,563	4,289,925
		4,119,651	4,313,575
Current assets			
Debtors	14	223,665	99,929
Cash at bank		323,436	278,036
		547,100	377,965
Creditors: amounts falling due within one year	15	(309,100)	(93,522)
Net current assets		238,000	284,443
Long Term Liabilities:			
Arts Impact Fund Loan	16	(119,045)	(335,000)
NatWest CBILS Loan	16	(214,595)	-
Rent Accrual	16	(427,423)	(280,624)
Net assets		3,596,588	3,982,394
Charity funds			
Restricted funds	21	43,580	70,310
Unrestricted fund	21	3,553,006	3,912,084
Total funds		3,596,586	3,982,394

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



Suhair Khan (Chair)
Date: 23 March 2023

The notes on pages 3 to 11 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 2022

	Note	2022 £	2021 £
Net cash provided by / (used in) operating activities	A	10,361	175,613
Cash flows from investing activities			
Interest income		73	77
Purchase of tangible fixed assets		(48,654)	(18,015)
Cash provided by / (used in) investing activities		(48,580)	(17,938)
Cash flows from financing activities			
Cash inflows from new loan		250,000	-
Loan repayments		(166,384)	(100,000)
Cash provided by / (used in) financing activities		83,616	(100,000)
Increase / (decrease) in cash and cash equivalents in the year		45,397	57,675
Cash and cash equivalents at the beginning of the year		278,036	220,360
Total cash and cash equivalents at the end of the year		323,433	278,036

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

	2022 £	2021 £
Net income/(expenditure) for the reporting period	(385,808)	(33,317)
Adjustments for:		
Increase in rent accrual	146,799	(13,383)
Investment income	(73)	(77)
Depreciation charge	242,578	253,149
Other adjustment/reversal of accrued costs	-	-
(Increase)/decrease in debtors	(123,736)	150,830
Increase/(decrease) in creditors	130,602	(181,589)
Net cash provided by / (used in) operating activities	10,361	175,613

STUDIO WAYNE MCGREGOR LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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 2022

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 2022

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 2022

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:

	2022	2021
Depreciation of tangible fixed assets:		
- Owned by the charity		
- Fixed assets	47,088	23,650
- building	217,383	217,383
- eliminated on disposals	-	-
- Auditors remuneration		
- audit services	9,600	10,500
- other assurance services	-	1,250
- Payments under operating leases	147,799	74,451

At the start of the covid19 pandemic, Here East supported the company and waived a proportion of the rent due, this continued to 21/22, with rent deferred to the lifetime of the lease.

STUDIO WAYNE McGREGOR LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

4. Income from Donations, Legacies & Grants	Restricted funds 2022	Unrestricted funds 2022	Total funds 2022
Arts Council England	27,430	319,692	347,122
Cultural Recovery Fund/ Emergency Respond Fund	-	328,709	328,709
Trusts, Foundations & Corporate	54,942	-	54,942
Local Authorities	-	-	-
Individuals	125,000	83,939	208,939
	207,372	732,340	939,712

4a. Income from Donations, Legacies & Grants 2021	Restricted funds 2021	Unrestricted funds 2021	Total funds 2021
Arts Council England	-	524,692	524,692
Cultural Recovery Fund/ Emergency Respond Fund	-	472,168	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	1,045,220

STUDIO WAYNE McGREGOR LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

5. Projects & Performances Income

Income was received from the following geographical markets:

	2022	2021
United Kingdom	7,078	44,533
European Union	65,358	(1,927)
Rest of the World	7,570	-
	<u>80,006</u>	<u>42,607</u>

6. Other

	2022	2021
Coronavirus Job Retention Scheme (Furlough)	31,417	191,044
	<u>31,417</u>	<u>191,044</u>

7. Investments

	2022	2021
Bank Interest Receivable	<u>73</u>	<u>77</u>

8. Expenditure on Raising Funds

	2022	2021
Direct Costs incl. Staff Costs	148,122	98,098
Support Costs	21,012	15,371
	<u>169,134</u>	<u>113,469</u>

STUDIO WAYNE MCGREGOR LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

9. Charitable Expenditure	Direct Costs	Support Costs	2022
Projects & Performances	169,103	608,615	777,718
Learning & Engagement	239,396	133,803	373,199
Studio Rental	10,430	403,478	413,908
	418,929	1,145,897	1,564,826

Support costs include all studio and administrative overheads allocated against each strand of charitable expenditure.

9a. Charitable Expenditure 2021	Direct Costs	Support Costs	2021
Projects & Performances	131,270	582,311	713,581
Learning & Engagement	276,133	149,669	425,802
Studio Rental	11,360	349,254	360,613
	418,762	1,081,234	1,499,996

10. Support Costs	2022	2021
Artistic Staff & Costs	360,777	396,080
Office & Administration Costs	140,205	125,579
Building Costs	357,002	256,539
Depreciation	230,450	240,492
Governance Costs	57,463	62,544
	1,145,897	1,081,234

STUDIO WAYNE MCGREGOR LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

11. Governance Costs	2022	2021
Salaries	18,149	17,090
Audit Fee	9,600	11,750
Other	39,314	33,704
	<u>67,063</u>	<u>62,544</u>

Additional fees for Cultural Recovery Fund auditing.

12. Fees and Salaries	2022	2021
Staff fees, salaries and pensions	573,418	538,103
Dancers' fees and pensions	155,613	123,423
Technical fees	7,076	-
Employer National Insurance	42,463	40,171
Redundancies	-	13,719
	<u>778,570</u>	<u>715,417</u>

No touring activity undertaken in the year so no freelance technical fees and significantly reduced dancers fees - we committed to our freelance dancers staff salaries reduced for furlough and pay restraint

The average number of staff employed during the year was:

	2022	2021
Artistic	11	11
Administrative	10	10
	<u>21</u>	<u>21</u>

	2022	2021
The average number of dancers contracted during the year was:	3	5

No member of staff was paid between £60-£70k in the year (2021: nil)

No Trustees were reimbursed any expenses, during the year (2021: £nil).

The total remuneration paid to key management personnel in the year was £103,098 (2021: £112,123).
The key management personnel are considered to be the Artistic Director and Executive Director.

No Trustees received any remuneration during the year (2021: nil)

STUDIO WAYNE MCGREGOR LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

13. Tangible Fixed Assets

	Fixtures & Fittings	Building	Total
Cost			
As 1 April 2021	382,748	5,153,629	5,536,377
Additions	48,654	-	48,654
At March 2022	431,402	5,153,629	5,585,031
Depreciation			
At 1 April 2021	359,098	863,704	1,222,802
Charge for the year	25,216	217,362	242,578
At March 2022	384,314	1,081,066	1,465,380
Net book value			
At 31 March 2022	47,088	4,072,563	4,119,651
At 31 March 2021	23,650	4,289,925	4,313,575

STUDIO WAYNE MCGREGOR LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

14. Debtors	2022	2021
Trade Debtors	31,789	34,357
Other Debtors	23,408	5,113
Prepayments and Accrued Income	168,468	60,459
	223,665	99,929

15. Creditors	2022	2021
Bank loans	84,976	-
Trade Creditors	30,792	6,769
Other Taxation and Social Security	12,204	12,581
Other creditors	4,702	-
Accruals	15,518	35,409
Deferred Income	160,908	38,762
	309,100	93,522

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) applied for in 2020 and was drawn down in May 2021. The intention was to refinance the AIF loan by 50% 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 once repayments begin from June 2022 onwards.

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. An additional rent free period was granted in 2022. 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, 2018 and 2022 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 each year across the remainder of the 25 year lease, and the balance of the creditor will reduce to zero by 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 2022

17. Analysis of Deferred Income	2022	2021
At 1 April	38,792	178,597
Released to income in the year	(38,792)	(178,597)
Deferred in the year	160,908	38,792
	<hr/>	<hr/>
At 31 March	160,908	38,792
	<hr/>	<hr/>

Deferred income usually related to fees for company performances and studio hires to take place in the following financial year, also includes deferred grant income whereby income recognition criteria had not been met in March 2022.

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	
	2022	2021
In less than one year	170,930	160,162
One year to five years	706,474	837,363
Longer than five years	3,262,944	3,142,822
	<hr/>	<hr/>
	4,140,347	4,140,347
	<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 2021

20. Comparative SOFA (2021)

	Restricted 2021	Unrestricted 2021	Total 2021
Income from			
Donations and Legacies	16,750	1,028,470	1,045,220
<u>Charitable activities</u>			
Projects & Performances	-	42,607	42,607
Learning & Engagement	-	155,225	155,225
Studio Hire	-	145,975	145,975
Other	-	191,044	191,044
Investments	-	77	77
Total Income	16,750	1,563,398	1,580,148
Expenditure on			
Raising Funds	-	113,469	113,469
<u>Charitable Activities</u>			
Projects & Performances	-	713,581	713,581
Learning & Engagement	47,760	378,042	425,802
Studio Hire	-	360,613	360,613
Total Expenditure	47,760	1,565,705	1,613,465
Net income (expenditure)/income for the year	(31,010)	(2,307)	(33,317)
Fund balances at 1 April 2020	101,320	3,914,391	4,015,711
Fund balances at 31 March 2021	70,310	3,912,084	3,982,394

STUDIO WAYNE MCGREGOR LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

21. Statement of Funds

	Balance at 01.04.2021	Income	Expenditure	Transfers	Balance at 31.03.2022
Designated Funds					
Building Reserve					
- net book value of building	4,289,925		(217,362)	-	4,072,563
- Arts Impact Fund loan	(335,000)		-	166,384	(168,616)
- NatWest CBILS Loan	-	-	-	(250,000)	(250,000)
- value held in general funds	(133,514)	-	-	(129,579)	(263,093)
	3,821,411	-	(217,362)	(213,195)	3,390,854
Fixed Assets Reserve	23,650		(25,216)	48,654	47,088
Re-staging Reserve	67,023	-	-	-	67,023
	3,912,084	-	(242,578)	(164,541)	3,504,965
General Funds					
General Funds	-	1,140,779	(1,303,999)	211,260	48,041
Total Unrestricted Funds	3,912,084	1,140,779	(1,546,576)	46,718	3,553,006
Restricted Funds					
Ambition for Excellence (Arts Council England)	60,461	27,430	(87,891)	-	-
PEER Learning (Idlewild Trust)	1,972	-	(1,972)	-	-
Shoreditch & Hackney Art Fund (LB Hackney)	7,750	7,750	(15,500)	-	-
Young Leader (LB Hackney)	127	4,984	(5,111)	-	(0)
Garden Project (D'Oyly Carte Foundation)	-	3,000	-	-	3,000
Creative Bursary (Garfield Weston Foundation)	-	15,417	(15,417)	-	-
Youth Dance Group (Three Monkeys Trust)	-	5,000	(5,000)	-	-
Digital Accelerator project. (Bloomberg Philanthropies)	-	125,000	(54,447)	(46,718)	23,835
Dance Programme at Kingsmead Primary School (The Ironmongers' Company)	-	4,696	-	-	4,696
Mentoring project (Idlewild Trust)	-	4,895	-	-	4,895
Prismatic (London Borough of Hackney)	-	9,200	(2,046)	-	7,154
Total Restricted Funds	70,310	207,372	(187,384)	(46,718)	43,580
	3,982,394	1,348,152	(1,733,960)	-	3,596,586

STUDIO WAYNE MCGREGOR LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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 £217,362 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

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 £48,654 represents addition capital purchases and expenditure of £25,216 represents the depreciation charge for the year.

The re-staging reserve holds any surplus to the re-staging work the company undertakes in order to support future re-staging 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 second of a three-year commitment, with the second and third instalments received within the year.

Prismatic is a new series of live events at Studio Wayne McGregor, supported by London Borough of Hackney. They aim to open up our space and develop a new relationship with our local communities. Each event is a themed reflection on the dance and arts activity that takes place outside the Studio, giving local audiences first-hand insight into our creative process and artistic collaborations in informal and engaging formats.

With support from The Three Monkeys Trust, Studio Wayne McGregor delivered the Youth Dance Company programme from October 2021 to February 2022, concluding with a final performance for friends and family in March 2022. The programme was delivered by Studio Wayne McGregor's Associate Director, assisted by Company Wayne McGregor Dancer. The programme was further leveraged by support from Hackney Council's Discover Young Hackney programme, which allowed for an additional week-long holiday programme during February half-term.

Studio Wayne McGregor participated in the first cohort of Bloomberg Philanthropies' Digital Acceleration Programme, a new initiative aiming to help arts organisations sustain strategic investment in digital infrastructure. As part of the programme, Studio Wayne McGregor's designated Tech Fellow led the implementation of the "Smart Studio", a multi-camera set-up and live-editing suite installed in Studio 3. The smartstudio live streams digital content including classes, talks, workshops, rehearsals and creative sessions to audiences ranging from participants of Engagement programmes, professional dancers, international touring partners, and commercial hires.

With support from Shoreditch and Hoxton Art Fund, Studio Wayne McGregor developed and delivered HOME, a partnership project in collaboration with Museum of the Home and Shoreditch Trust. The Project culminated in a dance film directed by Artist Ravi Deprees and developed in collaboration with a cast of intergenerational cast of local residents, including ESOL students from New City College, Hackney and members of Shoreditch Trust's Stroke Project. The film explored the theme of "home" in relation to participants personal experiences and premiered at Autograph Gallery, Shoreditch in February 2021. Leading up to the premiere of the dance film, the students and members of the Stroke Project participated in a series of creative dance workshops with a Studio Wayne McGregor artist and a local dance assistant

STUDIO WAYNE MCGREGOR LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

21. Statement of Funds (Cont.)

Comparative statement of funds for the year ended 31 March 2021:

	Balance at 01.04.2020	Income	Expenditure	Transfers	Balance at 31.03.2021
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)
	3,805,967	-	(217,383)	232,827	3,821,411
Fixed Assets Reserve	41,401		(35,766)	18,015	23,650
Re-staging Reserve	67,023	-	-	-	67,023
	3,914,391	-	(253,149)	250,842	3,912,084
General Funds					
General Funds	-	1,563,398	(1,312,556)	(250,842)	-
Total Unrestricted Funds	3,914,391	1,563,398	(1,565,705)	-	3,912,084
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	101,320	16,750	(47,760)	-	70,310
	4,015,711	1,580,148	(1,613,465)	-	3,982,394

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

22. Analysis of Net Assets Between Funds

	Restricted funds 2022	Designated funds 2022	Unrestricted funds 2022	Total funds 2022
Tangible fixed assets	-	47,088	-	47,088
Tangible fixed assets (building)	-	3,809,471	263,093	4,072,563
Current assets	43,580	67,023	436,497	547,100
Current liabilities	-	(84,976)	(224,124)	(309,100)
Long term Liabilities	-	(333,640)	(427,423)	(761,063)
	<u>43,580</u>	<u>3,504,965</u>	<u>48,043</u>	<u>3,596,588</u>
	0	0	3	

Comparative analysis of net assets between funds for the year ended 31 March 2021:

	Restricted funds 2021	Designated funds 2021	Unrestricted funds 2021	Total funds 2021
Tangible fixed assets	-	4,156,411	133,514	4,289,925
Tangible fixed assets (building)	-	23,650	-	23,650
Current assets	70,310	67,023	240,633	377,966
Current liabilities	-	-	(93,522)	(93,522)
Long term Liabilities	-	(335,000)	(280,624)	(615,624)
	<u>70,310</u>	<u>3,912,084</u>	<u>-</u>	<u>3,982,394</u>

23. Related Party Transactions

The aggregate donations received from the Trustees was £600 (2021: £600)

There were no related party transactions in the year. (2021: £Nil)

24. Pension Contributions

The company contributed to an auto-enrolment scheme for its employees and dancers. The contributions payable are charged to the statement of financial activities. Pension contributions for the year amounted to £10,785 (2021: £12,407)