

Frantic Theatre Company Ltd

Trustees' report and Financial Statements

31 March 2022

Company Limited by Guarantee
Registration Number
02989694 (England and Wales)

Charity Registration Number
1113716

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Reference and administrative details

Charity name	Frantic Theatre Company Ltd
Trading name	Frantic Assembly
Trustees	Mark Hawes (Chair) Matthew Hunnybun Amit Kataria Tina Kokkinos (resigned 15 February 2022) Matthew Littleford (resigned 20 January 2022) Dorcas Morgan (appointed 5 May 2022) Sally Noonan (resigned 27 July 2021) Joanna Read Denzel Westley-Sanderson (appointed 21 March 2022)
Artistic Director and Joint CEO	Scott Graham
Executive Director, Joint CEO and Company secretary	Kerry Whelan
Registered office	Brixton House, Coldharbour Lane, London, England, SW9 8GL
Company registration number	02989694 (England and Wales)
Charity registration number	1113716
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Reference and administrative details

Bankers

The Co-operative Bank
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Skelmersdale
WN8 6WT

CAF Bank Limited
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Kings Hill
West Malling
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ME1 4JQ

Virgin Money
Jubilee House
Gosforth
Newcastle Upon Tyne
NE3 4PL

Saffron Building Society
57 High Street
Ware
Hertfordshire
SG12 9AD

Manchester Building Society
125 Portland Street
Manchester
M1 4QD

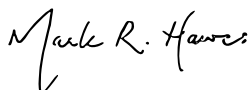
Chair's statement 31 March 2022

The following Trustees' Report and Financial Statements for the year ended 31 March 2022 tell a story of how Frantic Assembly – one of the country's most exciting and genre-defying companies – adapted and developed advantageously in the face of the continuing challenges of the Covid-19 pandemic. It is a story of steady consolidation, planning and skills-acquisition. More than that, it is a story of remarkable creativity, innovation and ambition across our purposefully inter-connected activities of Theatre-making, Participation – in the areas of Learn & Train and Talent Development – and Digital and Creative Media. All these activities serve our mission to create thrilling, energetic, unforgettable and high-quality theatre, reaching and educating people across the UK and overseas, including UK audiences of least engagement, and ensuring that contemporary theatre is accessible, relevant and open to communities who may perceive that theatre is not for them.

Now, in the financial year 2022/2023 – with the launch of our unique online drama educational subscription service, Frantic Assembly Studio; a successful tour of *Othello* on the road; and increases in demand in the UK and overseas for our in-person Participation offerings – fruits of the hard work undertaken in 2021/22 and previously are plain to see.

We are immensely grateful for the support and enthusiasm shown to Frantic Assembly by a large cast of organisations and individuals, including:

- ◆ our funders, Arts Council England – which has recently renewed our funded status as a National Portfolio Organisation – the DCMS Culture Recovery Fund, Garfield Weston Foundation, Network for Social Change and numerous individual donors;
- ◆ our theatre partners around the UK;
- ◆ the many practitioners and other artists and creatives who work with us;
- ◆ drama teachers and students of the Frantic Method in the UK and overseas;
- ◆ our audiences;
- ◆ participants in Ignition, our UK-wide flagship Talent Development programme for young people; and
- ◆ our Artistic Director Scott Graham, our Executive Director Kerry Whelan and other members of our permanent staff who keep the many parts of the company moving – literally and figuratively, and inspirationally.



Mark Hawes

Chair

Trustees' report 31 March 2022

The trustees present their report together with the financial statements of Frantic Theatre Company Ltd (trading as Frantic Assembly) for the year ended 31 March 2022.

The report has been prepared in accordance with the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies on pages 27 to 33 of the attached financial statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of 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 United Kingdom and Republic of Ireland (FRS 102).

Executive summary

Following on from the unprecedented upheaval of the previous year, 2021/22 has been one of steady consolidation, planning and skills acquisition, as well as a surprisingly fruitful and satisfying year of creation. Following on from our successful pivot towards online working and digital solutions in 2020, we embraced the opportunities and confidence the events of the previous year had afforded us and developed new responses to existing questions of what work we should be making and how we should be making it.

An enforced break from touring because of uncertainty around Covid, allowed us to take stock, review our production roster and lay out a scheme of work for the next four years. Restrictions on conventional ways of working also meant we were forced to find new ways to create work and to embrace opportunities within the digital realm.

Our long-established position within education was further reinforced by the response we had from teachers and students to the output we had created during lockdown to support them. The positive feedback to this content as well as our nascent plans to build an online resource platform to help teach the Frantic Method, our approach to devising and contemporary collaborative theatre making, was extremely encouraging. Frantic Assembly Studio, the product of our planning and creation, started to come to life in 2021/22 as we consulted with schools and teachers and started the not inconsiderable task of filming over 16 hours of content, alongside the commission of a bespoke website platform and incorporated sales and CRM system.

Despite initial concerns that 2021/22 may bear little opportunity to make work we found ourselves busier than ever and able to offer direct employment to both our pool of freelancers and to other creatives and performers on a range of activity across productions, participation projects and digital creation, providing much needed employment after a tumultuous year for freelancers, as well as much needed income for the organisation.

2021-22 Key Achievements

- ◆ Creation of first devised film – TOUCH created and directed by Scott Graham – including associated digital resources for teachers and students
- ◆ Remount and Digital Capture of *I Think We Are Alone* and subsequent pay-to-view streaming
- ◆ Secured £180K+ in raised funds to support creation of new work
- ◆ Design and build of Frantic Assembly Studio
- ◆ The creation of bespoke digital resources to support the teaching and sharing of The Frantic Method and wider collaborative theatre making
- ◆ Employment of 47 freelance artists and practitioners during the year
- ◆ A successful return to in-person teaching across the UK

OBJECTIVES AND ACTIVITIES

The objectives of the charity are to advance education for the public benefit by the promotion of the arts, in particular but not exclusively the art of drama.

Led by Artistic Director Scott Graham and Executive Director Kerry Whelan, Frantic Assembly is an internationally respected company with collaboration and accessibility firmly at its heart. Graham continues to collaborate with some of the most exciting voices in theatre to create new, genre-defying work of the highest quality. Having toured extensively throughout the UK, the company has built an enviable reputation as one of the most exciting theatre companies in the country, and the Frantic Method of devising theatre has helped create work throughout the world. The devising processes at the heart of this creativity are now studied on five of the most widely taught UK and international academic drama syllabuses. Frantic Assembly is also identified as 'one of the key figures in Twentieth Century performance practice,' and as one of 23 theatre makers who have 'transformed the way we understand theatre and performance', featuring in the handbook dedicated to the company in the Routledge Performance Practitioners series.

Our Mission Statement

Frantic Assembly creates thrilling, energetic, unforgettable and high-quality theatre. We target audiences of least-engagement in the UK, as well as attract new audiences internationally, ensuring that contemporary theatre is accessible, relevant and open to communities who may perceive that theatre is not for them.

Our core values, which define both our work and the way we create it, as well as underpin the way we operate as a team, are:

Collaborative, Authentic, Accessible, Brave, Empowering

OBJECTIVES AND ACTIVITIES (continued)

Core Aims and Objectives

- ◆ Create and share high-quality, ambitious, inclusive and relevant cultural experiences across the UK.
- ◆ Inspire more people to access and participate in culture, especially those who do not regularly engage or participate.
- ◆ Provide accessible and inclusive training and talent development routes for young people who wish to enter the creative industries.
- ◆ Work creatively and share knowledge of **The Frantic Method** with emerging companies, theatre makers, teachers, students and other individuals in order to continue to influence the development of contemporary theatre.
- ◆ Lead the way in developing a dynamic, environmentally sustainable and thriving sector based on collaboration and connectivity between creative practitioners, educational and local communities.

REVIEW OF ACTIVITY AND ACHIEVEMENTS

Artistic activity

The continued uncertain climate around Covid 19 meant that we took a proactive decision to postpone any touring until autumn 2022. The financial implications of embarking on a tour, only to have dates cancelled because of Covid, would have been extremely damaging. The subsequent lockdown over Christmas 2021, and the effect on many touring productions, vindicated this decision.

One of the positive effects of the 18-month pause in touring activity brought about by the pandemic, was the ability to re-set our schedule and plan ahead effectively. The ongoing cycle of production-creation and tour-booking had meant that our planning horizon had become shortened, and it often felt as though we were running to stand still. The enforced hiatus gave us time to re-value projects, prioritise future productions and build partnerships.

The break in production creation and touring also gave us the opportunity to develop other projects and, in particular, digital projects. Following on from the work started in 2020/21 with the creation of Frantic Digital – a series of free-to-access films including behind-the-scenes insights, warm up games and creative exercises – and the creation of Frantic Assembly Studio – our online subscription platform for schools – our ambition was to devise a show specifically for the camera. We also wanted to capture our touring production of *I Think We Are Alone*, which had been cut short in March 2020 mid-tour by the pandemic. Our goal here was to provide a way for the several thousands of people who had booked to see the show on tour and missed out because of the lockdown, to finally see it.

REVIEW OF ACTIVITY AND ACHIEVEMENTS (continued)

Artistic activity (continued)

We successfully applied for an Arts Council Project Grant to fund the capture of *I Think We Are Alone*. This and the creation of *TOUCH* were both due to take place in the first quarter of 2021/22. However, once again, owing to the ongoing impact of the pandemic and the proliferation of projects being undertaken as restrictions lifted, this timeline proved impossible to maintain. Everything from actor and creative team availability to venue and equipment hire became intensely competitive; an understandable yet unpredicted hangover of the pandemic lockdowns.

TOUCH

This was the first original devised work created by Scott Graham for the camera. Created over 4 weeks with a cast of 6 and filmed in one week, *TOUCH* is made up of 6 separate films linked by the theme of touch, a highly resonant subject in the light of the previous 12 months' experience. We collaborated with TEA Films on the filming of the work and commissioned composer and Ignition graduate Stefan Janik to create the soundtrack. The finished 45-minute film will be exclusively available to subscribers of Frantic Assembly Studio.

I Think We Are Alone

Originally intended to be filmed in June 2021 at MAST in Southampton, where Frantic Assembly became an Associate Company in 2020, this was rescheduled to late September owing to the venue's availability. Two of the original cast returned to reprise their roles, but conflicting commitments meant that the other four parts had to be re-cast. The show was rehearsed over a two-week period in London and filmed in the third week in Southampton. The final film was subsequently streamed to a paying audience as part of a 'digital tour' promoted through those venues which had co-produced the original show or had their tour dates cancelled owing to Covid. The capture was seen by over 3,000 people.

PARTICIPATION

Learn & Train

The accessibility of the Frantic Method, our distinctive approach to devising theatre, has empowered and inspired people to participate, educate and collaborate in the art of drama and make ground-breaking new work. As world leaders in devising and collaborative theatre-making, we continually seek to share drama skills through our *Learn and Train* programmes.

Our *Learn Programme* is designed for students in formal education (from GSCE up to Masters level), while our *Train Programme* covers Introductory, Intermediate and Advanced open programmes for the public, professional artists, creatives and teachers.

PARTICIPATION (continued)

Learn & Train (continued)

Our commitment to *Learn and Train* has been liberating the potential of future theatre makers for over 25 years and has engaged people from all walks of life. Our programmes are available in the UK and internationally throughout the year.

Our Learn and Train programme was the first activity to return to in-person delivery in 2021/22 while continuing to simultaneously offer an online component developed during the previous year of lockdown. Throughout the year, Frantic Assembly continued to provide accessible engagement opportunities for students, the public, teachers and emerging practitioners through in-person and online workshops and residencies.

Learn Programme

Between April 2021 and March 2022, we delivered a total of 184 workshop sessions in the UK and Internationally reaching 3,740 participants in schools and other educational settings. The reintroduction of Covid restrictions in December 2021 and January 2022 did result in a few postponed or cancelled workshops, but we were able to successfully deliver 3 residencies with undergraduate students from London Southbank University in autumn 2021, as well as a 4-week residency with the Sharjah Performing Arts Academy in the UAE in spring 2022.

Other planned International residencies had to once again be postponed owing to ongoing Covid restrictions in the country of delivery, including Australia and those in South East Asia.

Train Programme

Following the success of moving much of our Train Programme online in 2020/21, we were able to re-introduce some in-person courses in 2021/22. We ran an online Introductory Course and a Teacher Training Course in the 1st quarter of 2021/22, and later in the year our Intermediate Course and Advanced Course, in London, as well as a Teacher Training Course in Leeds in February 2022. We delivered 39 different sessions, working with a total of 617 people.

Ignition

Ignition is our flagship, free nationwide talent development programme for young people aged 16 – 24. We were unable to deliver our usual full-scale Ignition, with a one-week intensive residency in London culminating in a public performance, owing to restrictions resulting from the pandemic. However, we ran a no-less ambitious version of Ignition which saw us deliver a weekend of workshop activity at each of our regional partner venues for 445 young people, culminating in the creation of 11 site specific performances for the camera, which were then put together into a film compilation and set to a specially commissioned soundtrack by Ignition graduate Stefan Janik. The final film was shared via a YouTube screening with all of the participants, and each component film now sits on our website. The films have been seen 11,179 times since December 2021. This year, we were joined by two new partners, the Lyric Belfast and MAST Southampton.

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This activity was used to push our #WeAreIgnition fundraising campaign and raised £8,967 in public donations.

DIGITAL AND CREATIVE MEDIA

Projects such as *TOUCH* and the capture of *I Think We Are Alone* allowed us to learn and hone our digital skills as well as develop closer collaborative links with film makers and producers, such as TEA Films.

Frantic Assembly Studio

Alongside the production of this creative content, the year saw us push ahead with the creation of Frantic Assembly Studio, our online subscription platform for schools designed to help teachers understand and work with the Frantic Method and bridge the gap between the professional rehearsal room and the classroom.

With funding from the Garfield Weston Cultural Fund (received in 2019/20), we have been able to commission a bespoke website platform, incorporating a sales and CRM function, which will house the Frantic Assembly Studio content. The platform will work on an annual subscription basis and will be available exclusively to schools and other educational establishments. During the year, we also designed and filmed over 16 hours of teaching resources, including warm-up exercises, games, production insights, instructional films on devising and the Frantic Method, and interviews with industry figures.

Frantic Assembly Studio launched in September 2022.

CREATIVE COLLABORATIONS

The Curious Incident of the Dog in the Night-Time

The Company once again provided choreography and movement direction of the National Theatre's production of *The Curious Incident of the Dog in the Night-Time*. This year's audition process opened up access to neurodivergent performers and cast three such performers in the lead role of Christopher.

Rehearsals took place in October and the show opened in London, at the Troubadour Wembley Park, in November 2021. Unfortunately, owing to a resurgence of Covid during December several performances had to be cancelled and overall attendance across the tour was down on forecast. The relatively low box office achieved resulted in a lower-than-expected royalty for our services.

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FINANCIAL REVIEW

The charity's total income for the year was £612,903 (2021 – £627,606). Total expenditure amounted to £705,557 (2021 – £421,407). The charity's deficit for the year was therefore £92,654 (2021 – surplus of £206,199). When combined with funds brought forward, the charity's total reserves as at 31 March 2022 stood at £500,545 (2021 – £593,199).

The breakdown of funding sources in the year was as follows:

	2021/22	Percentage of total income	2020/21	Percentage of total income
Earned income*	£178,220	29%	£106,929	17%
Donations	£9,104	2%	£5,433	1%
Restricted grants	£50,299	8%	£200,000	32%
Arts Council England Cultural Recovery funding grant	£150,021	24%	£nil	0%
Arts Council England NPO funding grant	£225,259	37%	£225,260	36%
Coronavirus Job Retention Scheme Grant	£nil	0%	£89,984	14%
Total income	£612,903		£627,606	

* Earned income includes bank interest of £988 (2021 – £1,691). No productions took place during 2021/22 or during 2020/21, and therefore neither year includes a Theatre Tax Relief credit.

Investment policy

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit. The charity has a policy of keeping surplus liquid funds in short-term deposits which can be accessed readily.

Reserves Policy

The trustees aim to maintain free reserves in unrestricted funds at a level between three and six months of unrestricted charitable expenditure. They consider that this level will ensure that there are sufficient funds available to cover support and governance costs in the event that the Company needed to be wound up.

The trustees therefore consider that the ideal level of operational free reserves at 31 March 2022 would be £126,000 to £252,000, based on the current year's unrestricted expenditure.

FINANCIAL REVIEW (continued)

Reserves Policy (continued)

Of the total reserves of £500,545 (2021 – £593,199), £nil (2021 – £205,284) was restricted. £120,000 funds have been designated, or set aside, by the trustees for specific purposes (2021 – £267,915). With the exception of £120,000 specifically set aside for future productions, the designated funds were released during 2021/22 and are now taken into account within the charity's overall free reserves policy. The purposes and an analysis of the movements on the funds are set out in the notes to the financial statements.

Unrestricted general funds amounted to £380,545 (2021 – £120,000), of which £67,522 (2021 – £nil) constituted fixed assets. Free reserves were therefore £313,023 (2021 – £120,000), which is in line with the target level for such reserves mentioned above.

PLANS FOR THE FUTURE

ARTISTIC ACTIVITY

Othello

2022 will see a return to national touring, following a prolonged hiatus owing to the Covid-19 pandemic, with the Company's acclaimed adaptation of Shakespeare's *Othello*. First produced in 2008, the show has become an audience-favourite and has been one of the Company's most requested productions.

The production, co-produced with Curve Leicester, opened at the Curve on 19th September before embarking on a 10-week tour until early December 2022. It will then run for a further three and half weeks in January/February 2023 at the Lyric Hammersmith Theatre. Directed by Scott Graham, the show also includes 5 alumni from our celebrated Ignition programme; Associate Director David Gilbert, Co-Choreographer Perry Johnson and three cast members; Joe Layton, Felipe Pacheco and Oliver Baines.

Tour venues: Curve Leicester, Liverpool Playhouse, Theatre Royal Plymouth, York Theatre Royal, Yvonne Arnaud Guildford, Oxford Playhouse, The Lowry Salford, MAST Southampton, Connaught Theatre Worthing and Lyric Hammersmith Theatre.

Metamorphosis

We will continue to develop our new production, an adaptation of Kafka's novella *Metamorphosis*. We are delighted to have secured celebrated poet and author Lemn Sissay OBE to work on the adaptation in collaboration with Frantic Assembly.

One morning Gregor Samsa awakes to find himself changed. To those around him he is dangerous, untouchable vermin. Worse than that, he is a burden.

A word said, an action out of place, the opening of old wounds, none of which can be undone. Until now Gregor has woken every morning, quietly left to take the same train, and worked to pay off the family debt. But that world explodes on this morning of brutal metamorphosis.

PLANS FOR THE FUTURE (continued)

Metamorphosis (continued)

Metamorphosis is a visceral and vital depiction of humans struggling within a system that crushes them under its heel.

The show will be created/rehearsed in August 2023 before embarking on a 10-week tour of the UK and finishing with a 4-week run in early 2024 at the Lyric Hammersmith Theatre. The show will be co-produced with Theatre Royal Plymouth, Curve Leicester, MAST Southampton and Lyric Hammersmith Theatre.

The creative team will be recruited during the year and R&D undertaken.

Research and Development

Alongside production of *Othello* and the R&D of *Metamorphosis*, we will also be developing future projects including an adaptation of a children's book as a family show and a major international new writing collaboration.

PARTICIPATION

Our *Learn and Train* programmes are expected to return to a full in-person offering, operating across the UK and internationally, delivering schools-based curriculum workshops, bespoke residencies, teacher training and special projects. Building on the success of our online offering of the previous years, we will continue to deliver workshops online, particularly for overseas clients.

Learn Programme

Our delivery of schools' workshops is expected to return to pre-pandemic levels as we also return to in-person delivery in 2022. As well as our usual programme of 2, 4 and 6-hour workshops, we have longer residencies planned with West Glamorgan Youth Theatre, Birmingham Hippodrome and Headington School.

We will continue our relationship with London Southbank University with a programme of four, five-day residencies with 2nd year performing arts students. We will also undertake a new collaboration with United Learning, working with 20 schools in London and Salford on workshops and Teacher training.

We have international residencies booked with schools in Berlin, Munich and The Hague, and in late 2022 we will once again return to South East Asia to work with Dulwich College in South Korea and Malaysia, on residencies that had to be postponed in 2020 owing to the pandemic.

Train Programme

Summer 2022 saw our popular International Summer School return. Last run in 2019, this year's Summer School will be held as a residential course at Rose Bruford College and will offer three separate cohorts focusing on 'Create' and 'Train', aimed at performers and practitioners/directors respectively. There will be 36 participants in total.

PARTICIPATION (continued)

Train Programme (continued)

In early 2023, we will run the same model in Los Angeles in partnership with California State University Long Beach, and follow with a residency at University of Utah and open-programme workshops in New York.

Ignition

October 2022 saw a return of the full Ignition programme for the first time since 2019, culminating in the weeklong intensive residency in London, this year at our new base, Brixton House. Working with our 12 regional partners across the UK, Ignition seeks emerging talent in unexpected places through our Taster and Trial workshops, and from these several hundred young people, select 24 to take part in the London intensive during the October Half Term.

DIGITAL AND CREATIVE MEDIA

Frantic Assembly Studio

Our online subscription platform for schools launched in September 2022 and will be available to all UK schools. We are working on a partnership with Digital Theatre Plus to carry the Frantic Assembly Studio content for schools and educational establishments outside of the UK from early 2023.

As part of the ongoing content creation for the site, we plan to film our touring production of *Othello* to provide linked educational resources for the show on Frantic Assembly Studio.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Directors and trustees

The company is a company limited by guarantee registered in England and Wales and a charity registered with the Charity Commission in England and Wales. Its directors are its charity trustees for the purposes of charity law. The trustees serving during the year and since the previous year end were as follows:

Trustee	Appointed/ Resigned
Mark Hawes (Chair)	
Matthew Hunnybun	
Amit Kataria	
Tina Kokkinos	Resigned 15 February 2022
Matthew Littleford	Resigned 20 January 2022
Dorcas Morgan	Appointed 5 May 2022
Sally Noonan	Resigned 27 July 2021
Joanna Read	
Denzel Westley-Sanderson	Appointed 21 March 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Directors and trustees (continued)

Company secretary

Kerry Whelan

Governing document

Frantic Theatre Company Ltd is a charitable company limited by guarantee, incorporated on 14 November 1994 and governed by its Memorandum and Articles of Association. Revised Articles of Association were adopted on 5 February 2014. In the event of the company being wound up the members are required to contribute an amount not exceeding £1. The maximum number of members permitted by the Articles of Association is 10, but the board of trustees may from time to time register an increase in members.

Appointment of trustees

As set out in the Articles of Association, the minimum number of trustees is three and, until otherwise determined by a General Meeting, shall be no more than nine. During 2020/21, the number of trustees was seven. The board of trustees may appoint any member of the company as a member of the board of trustees, either to fill a casual vacancy or by way of addition to the board of trustees. Any member so elected holds office until the next Annual General Meeting, at which time they will be eligible for re-election.

Only members of the company are eligible to hold office as a member of the board of trustees.

The appointment of trustees, the conduct of business, the proceedings of meetings, the management of risk and the general management of the company all took place during the year in accordance with the provisions of the governing documents.

Trustees' induction and training

All new trustees receive an induction pack of information about Frantic Assembly and guidance on their responsibilities as charity trustees and company directors. The induction pack provides information on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and informs them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and the recent financial performance of the charity.

New Trustees are invited to meet with the Executive team and any other staff members as necessary as part of the induction process.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisation

The board of trustees administers the company. The board normally meets every quarter but meets more frequently if required (for example, during the pandemic trustees met monthly). The trustees take ultimate legal and financial responsibility for the company while the day-to-day running of the company is delegated to the Executive Team. To facilitate effective operations, the Executive Team has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and artistic performance-related activity.

Frantic Assembly's Executive team comprises Scott Graham, Artistic Director and Joint CEO, and Kerry Whelan, the Executive Director and joint CEO. During 2021/22, the other team members included a full-time Head of Learning and Participation, a Producer, a General Manager, a Learning & Participation Project Manager, a Learning & Participation Coordinator, a General Manager and a part-time Associate Director, Learn & Train.

Related parties and co-operation with other organisations

None of our trustees receives remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the Charity with a venue, production company, contracted actor, performer, creative, crew member or exhibitor must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. Details of related party transactions in the current year are set out in the notes to the accounts.

Key management personnel and pay policy for senior staff

The key management personnel of the Charity in charge of directing and controlling, running and operating the company on a day-to-day basis comprise the Executive Director and the Artistic Director, overseen by the trustees. All trustees give of their time freely, and no trustee received remuneration in the year. The pay of the senior staff who are not trustees is set at the point of recruitment with reference to the national market rate within the cultural economy. In view of the nature of the company, the trustees benchmark against pay levels in other comparable arts organisations run on a voluntary basis. The remuneration benchmark is generally the mid-point of the range paid for equivalent roles in similar organisations. It is reviewed annually and normally increased in line with pay increases for the rest of the organisation.

Risk management

The board of trustees have conducted a review of the major risks to which the company is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the company faces.

Strategies are in place to mitigate the risks identified, including robust planning arrangements, internal communication processes, and identification of possible future funding opportunities and co-producing partners.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management (continued)

Looking ahead, the major risks we are experiencing include:

Operational

In 2021/22, the major risks were assessed to be the ongoing effect of the pandemic and the timeframe in which 'normal' producing and touring activity could resume and any subsequent impact on the charity's finances. While we successfully pivoted to new ways of working in 2020/21, we need to remain vigilant, adaptable and responsive to ongoing developments. Frantic Assembly relies on co-production income to realise our productions. Any loss of such investment may have an impact on the scale at which we are able to create work. We seek to mitigate this risk by developing strong relationships with touring partner venues and establishing a network of hub partners across the UK and internationally. Our 2023/24 production of *Metamorphosis* will be co-produced with four UK partner venues, raising £120,000 of co-pro funds.

A significant proportion of the organisation's turnover is generated by our Learn & Train activity, particularly working with schools. The effect of Covid-19 on school attendance had an impact on our ability to deliver workshops in schools and we experienced short-notice postponement or cancellation of work within the year. We have mitigated some of this risk by developing online delivery which means we can work with schools which are socially distancing or whose geographic location makes in-person delivery problematic.

During 2021/22, the organisation, funded through a grant from the Garfield Weston Cultural Fund invested in the creation of Frantic Assembly Studio, a subscription-based learning resource for sale to schools which seeks to improve the quality of contemporary theatre-making teaching and also diversify our income streams. Judging that a return to a financially secure touring model would not be feasible until late 2022, the year was spent in the creation of digital content for inclusion on Frantic Assembly Studio, some of which was partly funded by the Garfield Weston funds and the rest through an Arts Council Project Grant.

Early indications for 2022/23 point to a return to near pre-pandemic levels of workshop activity and a return of international work. Advance box office for our autumn 2022 tour of *Othello* is also strong, and the audience and venue response to our work is positive, which is encouraging but not a reason for complacency.

Economic Uncertainty

The current economic climate is extremely challenging and the cost-of-living crisis, high inflation, the threat of recession and expected public spending cuts means that 2023 will be a difficult year for everyone. The potential squeeze on public spending combined with a reduction in households' disposable income means both earned, raised and statutory income streams will be under pressure. All of this could materially impact Frantic Assembly, and we are working hard to mitigate through various methods.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management (continued)

Economic Uncertainty (continued)

We were able to secure renewed NPO funding from Arts Council England for 2023-26 at our 2022/23 grant rate of £225,259 per annum, which gives a level of security as well as satisfying certain “hygiene” factors for fundraising. In 2021/22, the organisation secured an Arts Council Cultural Recovery Fund grant in Round Two to reflate reserves lost in 2019/20 which will support development of a new touring production for 2022/23.

The Frantic Assembly Studio platform, was released in September 2022 and is forecast to be taken up by at least 400 schools (state and independent) generating an income of £100,000 which would support the activity costs of 2022/23 onwards. While this forecast is felt to be achievable, based on Frantic Assembly's position in education and our presence on the GCSE and A-Level syllabuses, take-up of subscriptions will need to be monitored carefully as any shortfall in income will have an effect on the organisation's ability to invest in future productions and activities.

Approach to Fundraising

Frantic Assembly undertakes fundraising to help support its core artistic and learning and participation work. We raise funds from Trusts and Foundations and receive donations from private individuals.

All of our fundraising is undertaken by staff within the organisation; we do not use commercial participators or professional fundraisers.

As part of our commitment to good practice, we ensure that our fundraising activity is subject to statutory regulations and GDPR. We did not receive any complaints during the year in relation to our fundraising activity.

Trustees' responsibilities statement

The Charity's trustees (who are also directors for the purposes of company law) are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that period.

In preparing these financial statements, the trustees are required to:

- ♦ select suitable accounting policies and then apply them consistently;

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees' responsibilities statement (continued)

- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing the accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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

Each of the trustees confirms that:

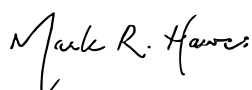
- ◆ so far as he/she is aware, there is no relevant audit information of which the Charity's auditor is unaware; and
- ◆ the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

Signed on behalf of the trustees:



Chair of Trustees
Mark Hawes



Trustee
Amit Kataria

Approved on: 14 December 2022

Independent auditor's report 31 March 2022

Independent auditor's report to the members of Frantic Theatre Company Ltd

Opinion

We have audited the financial statements of Frantic Theatre Company Ltd (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

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

We have nothing to report in this regard.

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' report, which is also the directors' report 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 trustees' report, which is also the directors' report for the purposes of company law 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' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified laws and regulations applicable to the charitable company through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations in the UK and considered which may have a direct material effect on the financial statements or operations of the charitable company, including the Companies Act 2006, data protection legislation, employment, safeguarding principles, health and safety legislation;

Independent auditor's report 31 March 2022

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- ◆ the identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to investigate the rationale behind any significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of meetings of those charged with governance;
- ◆ enquiring of management as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Independent auditor's report 31 March 2022

Auditor's responsibilities for the audit of the financial statements (continued)

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

Use of our report

This report is made solely to the 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.



16 December 2022

Hugh Swainson (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

Statement of financial activities (including an income and expenditure account)
Year to 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
Income from:							
Donations and legacies	1	375,414	59,269	434,683	226,466	204,227	430,693
Charitable activities							
. Operation of a theatre company	2	175,566	1,666	177,232	105,238	—	105,238
Interest receivable		988	—	988	1,691	—	1,691
Other Sources							
. Coronavirus Job Retention Scheme		—	—	—	89,984	—	89,984
Total income		551,968	60,935	612,903	423,379	204,227	627,606
Expenditure on:							
Charitable activities							
. Operation of a theatre company	3	504,338	201,219	705,557	417,464	3,943	421,407
Total expenditure		504,338	201,219	705,557	417,464	3,943	421,407
Net income (expenditure) before transfers	5	47,630	(140,284)	(92,654)	5,915	200,284	206,199
Transfers between funds	14	65,000	(65,000)	—	—	—	—
Net income (expenditure) and net movement in funds	5	112,630	(205,284)	(92,654)	5,915	200,284	206,199
Reconciliation of funds:							
Total funds brought forward at 1 April 2021		387,915	205,284	593,199	382,000	5,000	387,000
Total funds carried forward at 31 March 2022		500,545	—	500,545	387,915	205,284	593,199


There were no recognised gains and losses other than those set out in the statement of financial activities above.

All of the charity's income and expenditure derived from continuing activities during the above financial periods.

Balance sheet as at 31 March 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Intangible fixed assets	8		65,000		—
Tangible fixed assets	9		2,522		—
			67,522		—
Current assets					
Stocks	10	5,577		—	
Debtors	11	61,606		37,919	
Cash at bank and in hand		422,908		591,246	
		490,091		629,165	
Liabilities					
Creditors: amounts falling due within one year	12	(57,068)		(35,966)	
Net current assets			433,023		593,199
Total net assets			500,545		593,199
The funds of the charity:					
Restricted income funds	14		—		205,284
Unrestricted income funds					
. Designated funds	13		120,000		267,915
. General funds			380,545		120,000
			500,545		593,199

Approved by the trustees
and signed on their behalf by:



Chair of Trustees
Mark Hawes
Approved on: 14 December 2022



Trustee
Amit Kataria

Frantic Theatre Company Ltd

Company Registration Number: 02989694 (England and Wales)

Statement of cash flows Year to 31 March 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	(101,577)	240,844
		<u>(101,577)</u>	<u>240,844</u>
Cash flows from investing activities:			
Interest received		988	1,691
Purchase of intangible fixed assets		(65,000)	—
Purchase of tangible fixed assets		(2,749)	—
Net cash (used in) provided by investing activities		<u>(66,761)</u>	<u>1,691</u>
Change in cash and cash equivalents in the year		(168,338)	242,535
Cash and cash equivalents at 1 April 2021	B	591,246	348,711
Cash and cash equivalents at 31 March 2022	B	<u>422,908</u>	<u>591,246</u>

Notes to the statement of cash flows for the year to 31 March 2022.

A Reconciliation of net movement in funds to net cash used in operating activities

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	(92,654)	206,199
Adjustments for:		
Depreciation charge	227	662
Interest receivable	(988)	(1,691)
(Increase) decrease in debtors	(23,687)	134,621
Increase in stocks	(5,577)	—
Increase (decrease) in creditors	21,102	(98,947)
Net cash (used in) provided by operating activities	<u>(101,577)</u>	<u>240,844</u>

B Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	422,908	591,246
Total cash and cash equivalents	<u>422,908</u>	<u>591,246</u>

No separate reconciliation of net debt has been prepared as there is no difference between the net cash of the charity and the above cash and cash equivalents.

The principal accounting policies and notes on pages 27 to 42 form part of these statutory financial statements.

Principal accounting policies Year to 31 March 2022

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 March 2022 with comparative information given in respect to the year ended 31 March 2021.

The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 (Charities SORP FRS 102), and the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

The most significant areas of adjustment and key assumptions that affect items in the financial statements are in respect to:

- ◆ Assessing the useful economic lives of tangible fixed assets for the purpose of determining the annual depreciation charge;
- ◆ Determining the degree to which provisions are required in respect of bad and doubtful debts; and
- ◆ Estimating future income and expenditure flows for the purpose of assessing going concern.

With respect to the next reporting period, the the future impact of the ongoing Coronavirus pandemic remains the most significant area of uncertainty that may affect the carrying estimation of the Charity's future income (and expenditure) flows.

Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.

Principal accounting policies Year to 31 March 2022

Going concern (continued)

To make this assessment in relation to the preparation of the financial statements of Frantic Theatre Company Ltd for the year ended 31 March 2022, the trustees have considered the following evidence:

- ◆ The current financial model including cost base, income projections, funding and reserves position
- ◆ Assessment of major risks in the next 12 – 18 months
- ◆ The financial management controls and reporting structure in place
- ◆ Forward projections and cashflow to March 2024

The trustees consider that the Charity's process and controls are sufficiently robust for them to make informed decisions as to its current financial position, and its ability to react to possible adverse situations. In making that assessment, the trustees have considered the following:

Ability to adapt to adverse financial events

The organisation has the ability to successfully adapt to deal with adverse conditions, as demonstrated during the impact of the Covid-19 crisis in 2020. Activity was adapted, new income streams identified, and expenditure curtailed to offset the major loss of income.

Trustees have identified the following risks as part of the going concern assessment and the associated mitigation:

- ◆ Impact of public spending cuts on core Arts Council subsidy

As of October 2022, the company's funding from Arts Council England was renewed for funding period 2023-26 at £225,259 pa (the same rate as 2022/23).

- ◆ Impact of economic downturn on disposable income and effect on box office income which could affect ability to fund production costs

Income targets are set prudently at 55% of financial capacity. Our current tour average is 63%. Our 2023/24 tour will visit the majority of venues on the current tour on comparable fees/deals.

Co-production deals of £120,000 have been secured to help fund origination costs and £120,000 of reserves are designated for future production origination. For comparison, the net cost of 2022/23 production is forecast at £24,000

- ◆ Adverse financial events may affect future fundraising capacity, having an impact on our ability to fund specific projects – e.g., Ignition

Principal accounting policies Year to 31 March 2022

Ability to adapt to adverse financial events (continued)

Fundraising will be undertaken well ahead of project go live dates, so that we are able to take a decision on whether to proceed or not. Past projects have been funded from reserves to make them happen, but in the future only projects that can be fully funded will be considered viable going forward.

- ◆ Income projections (whether earned or raised) are not achieved

Budgets are set prudently and accurately, both for income and expenditure to minimize risk of large variance. Budgets are monitored closely to ensure timely adjustments. Appropriate resources are identified to support income generation (e.g., marketing and promotion for Frantic Assembly Studio subscription sales).

Financial Management

The organisation has robust and appropriate process and controls in place to monitor financial performance during the year including:

Monthly and Quarterly budget and commitment control, including monthly cashflow forecasting.

Debt management – trade debtors are regularly reviewed and there are no systemic trends in non-payment which would give rise to Going Concern issues.

Financial Position

Trustees have considered the organisation's current financial position including latest figures and post-year end information including breakdown of current reserves and assessment of reserves policy in relation to fixed cost base (e.g., how long could core costs be covered from unrestricted funds?)

In making their assessment of going concern, trustees have considered the financial forecasts for the period 1 April 2022 to 31 March 2024 including:

- ◆ Summary of bottom-line surplus/deficit and impact on available reserves.
- ◆ Anticipated cashflow forecast including assessment of any points in the coming 12 months where cash balances may be a cause for significant concern and receipt of funding/income and timeliness of settlement of debts.
- ◆ Summary of income streams and the assumptions used – in terms of reliability/likelihood of achieving targets
- ◆ Summary of expenditure and the assumptions used – effect of inflationary increases, how fixed is the cost base and whether expenditure is dependent on funding.

Principal accounting policies Year to 31 March 2022

Financial Position (continued)

The charity has adequate cash reserves which are being actively monitored and managed and the trustees believe that these actions have secured the immediate future of the charitable company for 12 to 18 months from the balance sheet date and that on this basis the charity is a going concern.

Therefore, the trustees are of the opinion that the Charity has planned carefully in order to meet its liabilities as they fall due and, whilst they acknowledge that there will be challenges ahead, they are of the opinion that the use of the going concern assumption in the preparation of these financial statements is appropriate.

Income recognition

Income is recognised in the period in which the Charity is entitled to receipt, the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the Charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises donations and grants, income from charitable activities, interest receivable and income from the Government's Coronavirus Job Retention scheme.

Donations are recognised when the Charity has confirmation of both the amount and settlement date.

In accordance with the Charities SORP, the value of services provided by volunteers has not been included.

Grants, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Grants from government, other agencies and voluntary bodies have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Income from charitable activities represents the income from touring productions and the Charity's Learn & Train educational activities, the sale of programs and merchandise, and royalties receivable and excludes Value-Added Tax. Income received in advance of theatrical performances or provision of educational services is deferred until the relevant performance or provision of the relevant services has taken place. Trading income from the sale of programs and merchandise during touring productions is recognised on receipt. Royalties are recognised when receivable under the terms of the relevant royalty agreement.

Principal accounting policies Year to 31 March 2022

Income recognition (continued)

Interest in funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the expenditure on charitable activities.

- ♦ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Charity through the provision of its charitable activities. Such costs include staff costs, direct and support costs including governance costs.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the Charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the Charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support and governance costs are allocated directly to expenditure on charitable activities as it is considered that any apportionment to represent expenditure on raising funds would be immaterial.

Intangible fixed assets

Intangible fixed assets are stated at historic cost less accumulated amortisation. Amortisation is charged on a straight-line basis for the website over an estimate useful life of five years from the point at which the asset is brought into use.

Tangible fixed assets

Individual fixed assets with an estimated economic life of more than twelve months and a cost of over £1,000 are capitalised at cost.

Principal accounting policies Year to 31 March 2022

Depreciation is provided at the following annual rates on a straight-line basis in order to write off each asset over its estimated useful life:

- ♦ Fixtures and equipment – 33⅓% on cost

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. Debtors have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

The unrestricted general funds comprise those monies which may be used towards meeting the charitable objectives of the Charity and may be applied at the discretion of the trustees.

The designated funds are monies set aside out of general funds for specific purposes by, and at the discretion of, the trustees.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Stock

Merchandise stock is held at the lower of cost and net realisable value.

Principal accounting policies Year to 31 March 2022

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.

Pension costs

Contributions to defined contribution pension schemes and to employees' personal pension plans are charged to the statement of financial activities in the year in which they are payable.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net movement in funds.

Taxation

Frantic Theatre Company Ltd is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

The Finance Act 2014 introduced Theatre Tax Relief which allows the company to claim a payable tax credit against a percentage of allowable production expenditure incurred. Theatre tax relief is credited to the Statement of Financial Activities based on productions undertaken in the year which meet the criteria for relief and is shown within income from charitable activities, as detailed in note 2.

1 Donations and legacies

	Unrestricted funds £	Restricted funds £	2022 Total funds £
Arts Council England – NPO grant	225,259	—	225,259
Arts Council England – Cultural Recovery Funding	150,021	—	150,021
Arts Council England – Project Grant	—	35,299	35,299
Network for Social Change	—	15,000	15,000
Donations	134	8,970	9,104
2022 Total funds	375,414	59,269	434,683

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Arts Council England – NPO grant	225,260	—	225,260
Garfield Weston Cultural Fund	—	200,000	200,000
Donations	1,206	4,227	5,433
2021 Total funds	226,466	204,227	430,693

2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2022 Total funds £
Co-production income and touring fees	6,039	—	6,039
Learn and Train	149,939	1,666	151,605
Sale of programs and merchandise	1,208	—	1,208
Royalties	17,138	—	17,138
Sundry other income and reimbursements	1,242	—	1,242
2022 Total funds	175,566	1,666	177,232

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Co-production income and touring fees	—	—	—
Learn and Train	94,703	—	94,703
Sale of programs and merchandise	1,468	—	1,468
Royalties	7,205	—	7,205
Sundry other income and reimbursements	1,862	—	1,862
2021 Total funds	105,238	—	105,238

3 Expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	2022 Total funds £
Staff costs (note 7)	257,798	—	257,798
Creatives, cast, crew and practitioner fees	76,362	26,565	102,927
Travel, accommodation and subsistence	27,214	19,047	46,261
Production costs, including Learn and Train	38,638	131,558	170,196
Royalties and Commissions	2,903	—	2,903
Venue Hire	2,461	5,402	7,863
Training	1,240	41	1,281
Frantic Assembly Studio	—	8,225	8,225
Support and governance costs (note 4)	97,722	10,381	108,103
2022 Total funds	504,338	201,219	705,557

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Staff costs (note 7)	320,552	—	320,552
Creatives, cast, crew and practitioner fees	27,995	—	27,995
Travel, accommodation and subsistence	946	—	946
Production costs, including Learn and Train	10,718	3,943	14,661
Royalties and Commissions	400	—	400
Venue Hire	1,100	—	1,100
Training	255	—	255
Support and governance costs (note 4)	55,498	—	55,498
2021 Total funds	417,464	3,943	421,407

4 Support and governance costs

	Unrestricted funds £	Restricted funds £	2022 Total funds £
Support costs			
Printing, postage, stationery and advertising	209	—	209
Bank charges	761	—	761
Depreciation	227	—	227
Website redesign and maintenance	804	—	804
Professional fees	3,750	—	3,750
Equipment	540	89	629
Subscriptions	2,821	—	2,821
Storage	8,910	—	8,910
Recruitment	3,215	—	3,215
Office costs	35,477	—	35,477
Telephone and internet	3,647	—	3,647
Insurance	3,260	—	3,260
IT	4,210	5,975	10,185
Sundry expenditure	2,397	1,317	3,714
	70,228	7,381	77,609
Governance costs			
Auditor's fees	10,450	—	10,450
Training	12,580	—	12,580
Professional fees	4,464	3,000	7,464
	27,494	3,000	30,494
2022 Total funds	97,722	10,381	108,103

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Support costs			
Printing, postage, stationery and advertising	45	—	45
Bank charges	818	—	818
Depreciation	662	—	662
Equipment	235	—	235
Subscriptions	2,068	—	2,068
Storage	5,346	—	5,346
Office costs	28,166	—	28,166
Telephone and internet	2,102	—	2,102
Insurance	3,033	—	3,033
IT	2,363	—	2,363
Sundry expenditure	2,100	—	2,100
	46,938	—	46,938
Governance costs			
Auditor's fees	7,100	—	7,100
Professional fees	1,460	—	1,460
	8,560	—	8,560
2021 Total funds	55,498	—	55,498

5 Net income (expenditure) and net movement in funds

This is stated after charging:

	Total 2022 £	Total 2021 £
Staff costs (note 7)	257,798	320,552
Auditor's remuneration		
. Statutory audit services	6,200	5,950
. Taxation services	1,350	—
. Other services	2,900	1,150
Depreciation	227	662
Operating lease rentals	24,496	29,616

6 Taxation

Frantic Theatre Company Ltd is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

The Finance Act 2014 introduced Theatre Tax Relief which allows the company to claim a payable tax credit against a percentage of allowable production expenditure incurred. Theatre tax relief is credited to the Statement of Financial Activities based on productions undertaken in the year which meet the criteria for relief and would be shown within income from charitable activities, as detailed in note 2, when eligible activity occurs.

7 Staff costs and trustee remuneration

	2022 £	2021 £
Wages and salaries	232,931	290,510
Social security costs	17,731	21,001
Pension costs	7,136	9,041
	257,798	320,552

No employees received remuneration in excess of £60,000 during the year (2021 – none).

The charity trustees received no remuneration from the charity during the year (2021 – £Nil), nor were they reimbursed expenses during the year (2021 – £Nil). No trustee received payment for professional or other services supplied to the charity.

The key management personnel of the charity comprise the trustees, Executive Director and Artistic Director. The total employee benefits received by the key management personnel of the charity, including employer's pension contributions and employer's National Insurance contributions, amounted to £121,507 (2021 – £121,524).

7 Staff costs and trustee remuneration (continued)

Staff numbers

The average number of employees (including casual and part time staff) during the year was:

	2022 Number	2021 Number
Charitable activities	7	6
Administration	2	3
	9	9

8 Intangible fixed assets

	Website £
Cost	
At 1 April 2021	—
Additions	65,000
31 March 2022	65,000
Depreciation	
At 1 April 2021	—
Charge for year	—
At 31 March 2022	—
Net book values	
At 31 March 2022	65,000
At 31 March 2021	—

9 Tangible fixed assets

	Fixtures and equipment £
Cost	
At 1 April 2021	31,401
Additions	2,749
31 March 2022	34,150
Depreciation	
At 1 April 2021	31,401
Charge for year	227
At 31 March 2022	31,628
Net book values	
At 31 March 2022	2,522
At 31 March 2021	—

10 Stocks

	2022 £	2021 £
Merchandise stock	5,577	—
	5,577	—

11 Debtors

	2022 £	2021 £
Trade debtors	38,290	9,090
Other debtors	8,253	9,857
VAT recoverable	2,457	4,388
Prepayments and accrued income	12,606	14,584
	61,606	37,919

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	23,511	372
Other creditors and accruals	9,453	9,123
Deferred income	21,489	22,469
Social security and other taxes	2,615	4,002
	57,068	35,966

Deferred income comprises advance payments received for workshops and residencies cancelled due to COVID-19:

	2022 £	2021 £
At 1 April 2021	22,469	21,839
Amount released to income from charitable activities	(980)	—
Amount deferred in year	—	630
At 31 March 2022	21,489	22,469

13 Designated funds

	At 1 April 2021 £	New designations £	Utilised/ released £	At 31 March 2022 £
Designated funds				
Future productions fund	247,915	—	(127,915)	120,000
Learning and Participation fund	10,000	—	(10,000)	—
Organisational development fund	10,000	—	(10,000)	—
	267,915	—	(147,915)	120,000

	At 1 April 2020 £	New designations £	Utilised/ released £	At 31 March 2021 £
Designated funds				
Future productions fund	162,037	85,878	—	247,915
Learning and Participation fund	37,541	—	(27,541)	10,000
Organisational development fund	61,760	—	(51,760)	10,000
	261,338	85,878	(79,301)	267,915

The **Future productions fund** represents funds set aside for the creation of future touring productions.

The **Learning and Participation fund** has been set aside for the development of educational activities, including Learn and Train programmes.

The **Organisational Development Fund** represents funds set aside to support future investment in the charity's organisational capacity.

13 Designated funds (continued)

Following a review of the charity's reserves policy, each of the designated funds have been released in 2021/22 and these funds now forms part of the overall free reserves policy, with the exception of £120,000 allocated to the Future Productions fund, which represents an amount awarded as part of the Arts Council's Cultural Recovery grant in 2021/22 to reflate reserves and be ring-fenced to support the origination of *Metamorphosis*.

14 Restricted funds

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
Ignition fund	5,284	25,636	(30,920)	—	—
Frantic Assembly Studio fund	200,000	—	(135,000)	(65,000)	—
Arts Council England – Project Grant	—	35,299	(35,299)	—	—
	205,284	60,935	(201,219)	(65,000)	—

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
Ignition fund	5,000	4,227	(3,943)	—	5,284
Frantic Assembly Studio fund	—	200,000	—	—	200,000
	5,000	204,227	(3,943)	—	205,284

The **Ignition fund** represents funds restricted to support the delivery of activity relating to Ignition, our nationwide talent development programme for young people aged 16-24.

The **Frantic Assembly Studio fund** represents a grant received from the Garfield Weston Cultural Fund to support the creation on an online subscription platform for schools and the digital capture of content and resources to support the study of drama and physical theatre. The transfer of £65,000 relates to the website development costs capitalised during the year.

The **Arts Council England – Project Grant** represents a grant received from Arts Council England in order to re-mount and film the stage production of *I Think We Are Alone*.

15 Analysis of net assets between funds

Year ended 31 March 2022	General funds £	Designated funds £	Restricted funds £	Total £
Tangible fixed assets	2,522	—	—	2,522
Intangible fixed assets	65,000	—	—	65,000
Cash at bank and in hand	302,908	120,000	—	422,908
Other net current assets	10,115	—	—	10,115
	380,545	120,000	—	500,545

Year ended 31 March 2021	General funds £	Designated funds £	Restricted funds £	Total £
Cash at bank and in hand	118,047	267,915	205,284	591,246
Other net current assets	1,953	—	—	1,953
	120,000	267,915	205,284	593,199

16 Related party transactions

One departing trustee was provided with a photograph and a frame for her services to the charity; the total cost including overseas postage of this gift was £129 (2021 – £nil).

During the year, the trustees made aggregate donations to the charity of £5,148 (2021 – £398).

17 Leasing commitments

The future minimum operating lease commitments are as follows:

	2022 £	2021 £
Land and buildings		
Within one year	—	24,677
	—	24,677

18 Ultimate Control and liability of members

The charitable company is under the control of the board of trustees, and no individual is a person of significant control.

The Charity is constituted as a company limited by guarantee. In the event of the Charity being wound up, members are each required to contribute an amount not exceeding £1.