

Frantic Theatre Company Ltd

Trustees' report and Financial Statements

31 March 2023

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 Dorcas Morgan (appointed 5 May 2022) Joanna Read Denzel Westley-Sanderson
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
PO Box 250
Skelmersdale
WN8 6WT

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME1 4JQ
(Closed on 1st December 2022)

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

The following Report of the Trustees and the Financial Statements of Frantic Assembly for the year ended 31 March 2023 present a picture of increased activity across all of the company's purposefully inter-connected areas of artistic and educational operation:

- **Theatre Production:** notably, our highly successful tour of *Othello* – our first touring production since before the pandemic; and inception of work on an exciting new touring production for 2023/24 – an adaptation of Kafka's *Metamorphosis* by Lemn Sissay;
- **Learn & Train:** an area experiencing increasing demand from schools and colleges in the UK and overseas;
- **Digital and Creative Media:** the highpoint being the launch of Frantic Assembly Studio, our unique online drama-teaching resource for subscription by schools; and
- **Ignition**, our talent development programme which reached hundreds of young people across the country including in areas of least arts engagement – and which, for the first time since before the pandemic, culminated in 24 young people being brought to and hotel-accommodated in London for a week's rehearsals leading up to performances before paying audiences.

These activities served our charitable objectives: to create thrilling, energetic, unforgettable and high-quality theatre – reaching audiences across the UK, as well as attracting new audiences internationally; and to break down barriers to ensure that contemporary theatre is accessible, relevant and open to everyone, including people who may perceive that theatre is not for them.

The company expended some of its charitable reserves owing to the net effect of the costs of launching Frantic Assembly Studio on a paid-for-subscription model while building a subscriber base from scratch and the costs of running Ignition. Nevertheless, the company ended the financial year in a robust reserves-position, and Frantic Assembly Studio is anticipated to generate a surplus and contribute positively to reserves in the future.

Towards the end of the year, we were jubilant to be notified by Arts Council England (ACE) of the success of our application for renewed funded-status as a National Portfolio Organisation (NPO) – for 2023 to 2026 – in recognition of the harmony of our strategy with ACE's national *Let's Create* strategy. While we must continue to raise funds from other sources to realise our strategy in full, our NPO status puts us on a reasonably sure footing to plan much of our work over the next three years, and we are immensely grateful to ACE for that.

On behalf of the company, I would also like to express our gratitude to:

- our other funders including the Garfield Weston Foundation, Network for Social Change, Backstage Trust and our numerous individual donors;
- our team of practitioners of the Frantic Method;
- the artists and creatives who work with us on our theatre productions and digital output;
- our theatre-partners around the UK;

Chair's statement 31 March 2023

Chair's Statement (continued)

- schools that engage with us in the UK and overseas, and their drama teachers and students of the Frantic Method;
- our audiences, in theatres and on-line; and
- the many hundreds of young people who participate in Ignition.

On behalf of the Board of Trustees, I would like to thank our colleagues who make it all happen: our internationally renowned and visionary Artistic Director, Scott Graham; our Executive Director, Kerry Whelan; and our other full-time staff who now direct and manage our UK-wide and overseas activities from space in south London's brand-new theatre and vibrant creative hub, Brixton House.

A handwritten signature in black ink that reads "Mark R. Hawes". The signature is written in a cursive, flowing style.

Mark Hawes
Chair

Trustees' report 31 March 2023

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 2023.

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 30 to 36 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

We made a welcome return to touring activity in 2022/23 after a prolonged hiatus following the pandemic. While the time away from touring was both strategically and operationally positive, it was nevertheless good to be back in front of live audiences with our highly successful remount of *Othello*.

We saw activity levels across all areas of operation return to pre-pandemic levels during the year and were once again able to run our flagship programmes, which only 18 months previously had seemed a distant prospect. Our Learn and Train programmes bounced back from the much quieter levels of the year before and we were able to establish new international contacts for our schools' workshops and our Train activity.

The development work we had undertaken on our digital output, and in particular the creation of Frantic Assembly Studio - our online teaching resource - came to fruition in the year with the launch of the platform. This represents a step-change in the organisation's relationship with schools and education and, we hope, will help bridge the gap between the professional rehearsal studio and the classroom. Frantic Assembly Studio launched in October 2022, slightly delayed from the September go-live date planned owing to the complexity of the platform and the creation of the content for it. While this did impact on the income target for the year, the response to the platform has been universally positive from schools and all the teachers who are using it.

In the closing months of the year, we received confirmation of our successful retention as an Arts Council England National Portfolio Organisation. In an ever-uncertain economic environment, this was a welcome and positive reassurance and means that we are able to plan with some confidence for the next three years.

2022-23 Key Achievements

- Successful remount of *Othello* in a UK tour; playing 101 performances across 13 weeks of touring at 10 venues. Achieved average audience capacity of 78%.
- First ever in-house recording of a production - *Othello* was filmed for inclusion on Frantic Assembly Studio.
- Chanel Waddock, Desdemona in *Othello*, received an Ian Charleson Award nomination for her performance.
- Launch of Frantic Assembly Studio to UK based schools.
- Collaboration with Digital Theatre Plus licensing Frantic Assembly Studio content to international schools.
- Office relocation to Brixton House Theatre.
- First full iteration of Ignition since pandemic, saw 24 young people from across the UK create two shows in just 5 days and perform in two sold out public performances

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, and educational and local communities.

REVIEW OF ACTIVITY AND ACHIEVEMENTS

ARTISTIC ACTIVITY

In our application to the Arts Council National Portfolio we outlined a body of artistic work over the next three to four years. The first production in this plan was a remount of our highly popular and successful adaptation of *Othello*, first staged in 2008 and last revived in 2014. Our 2022-23 version formed part of a strand of work we term *Iconic*: shows that we consider iconic either because of their title, or the reception they have received over the years, or both.

Othello

The production was co-produced in association with Curve Leicester and opened there in September 2022 before embarking on a 13-week tour across 10 venues. Our concerns about whether audiences would return in sufficient numbers were, thankfully, unfounded as we exceeded our audience forecasts and played to an average capacity of 78% across the 101 performances.

The tour visited Curve Leicester, Liverpool Playhouse, Theatre Royal Plymouth, York Theatre Royal, Yvonne Arnaud Theatre Guildford, Oxford Playhouse, The Lowry Salford Quays, MAST Mayflower Studios Southampton, Connaught Theatre Worthing, and Lyric Hammersmith Theatre.

The production was well received by critics and audiences alike, receiving numerous 5- and 4-star reviews:

"Brute force speaks volumes in Frantic Assembly's breathtaking Othello".

The Observer

REVIEW OF ACTIVITY AND ACHIEVEMENTS (continued)

"...urgent, abrasive and thrilling." 4 Stars
The Guardian

"...this new revival feels more relevant than ever.... Director Graham and his team know exactly what they're doing: this Othello sucks you in". 4 Stars
The Stage

"A powerful, punchy and poignant Othello which will leave you wanting all of Shakespeare's classics to get the Frantic Assembly treatment, superb!" 5 Stars
Opening Night Reviews

Amongst the cast and company were five past Ignition Graduates – David Gilbert (2009) Associate Director, Perry Johnson (2012) Co-choreographer, Joe Layton (2008) playing Iago, Felipe Pacheco (2017) playing Roderigo and Oliver Baines (2019) playing Montano.

Chanel Waddock, who played Desdemona, was nominated for the 2023 Ian Charleson Awards.

Performance Statistics

Comparison of Performances and attendance pre and post pandemic, 2018/19 – 2022/23

Year	Venues	Performances	Attendance	Attendance %
2022/23	10	101	45,211	78%
2021/22	-	No touring owing to COVID-19	-	-
2020/21	-	No touring owing to COVID-19	-	-
2019/20*	4	44	15,232	58%
2018/19	11	112	34,474	73%

*Scheduled tour was cancelled owing to COVID-19 restrictions. Total for the whole tour was 11 venues with 102 performances. Tour venues completed within 2019/20 numbered 4 with 44 performances. Attendance % is at point of tour cancellation, 16th March 2020. No touring was undertaken in 2020/21 and 2021/22.

PARTICIPATION

Learn and Train

The accessibility of the Frantic Method, our distinctive approach to devising theatre, has empowered 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.

REVIEW OF ACTIVITY AND ACHIEVEMENTS (continued)

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

Our commitment to *Learn and Train* has been liberating the potential of future theatre makers for nearly 30 years and has engaged people from all walks of life. Our programmes are available in the UK and internationally throughout the year.

Learn Programme

Our delivery of schools' workshops returned to pre-pandemic levels and despite industrial action by teachers and disruption to rail travel that presented logistical complications to our delivery, we undertook 277 workshops with schools in the UK and a further 22 sessions abroad, including in-person residencies with schools in Berlin, Munich and The Hague. We also delivered a four-week residency with the Sharjah Performing Arts Academy in U.E.A and two weeks of workshops with Dulwich College in South Korea and Malaysia. We also delivered an online workshop series with Wellington College in Shanghai.

We continued our relationship with London Southbank University, delivering a programme of four five-day residencies with 2nd year performing arts undergrads. We also worked on a new collaboration with United Learning, working with 10 schools each in London and Salford on Devising and Physicality workshops and teacher training which culminated in a shared performance in both cities.

To support our performances of *Othello* at Lyric Hammersmith Theatre, our practitioners worked with four schools based in West London to create short pieces inspired by the show which were performed as a curtain raiser at the theatre.

Train Programme

Summer 2022 saw the return of our popular International Summer School. Last run in 2019, this year's Summer School was run as a residential course at Rose Bruford College. Such was demand for the course that we created an additional cohort, running two Create and one Train cohort, with a total of 36 participants across the three cohorts.

Owing to the high demand for places from Summer School applicants in the US, in January 2023 we successfully trialled the same model in Los Angeles, in partnership with California State University Long Beach. The Course was fully booked and attracted participants from all over North America. We followed up our US 'Winter' School with a residency at University of Utah and an open programme of workshops in New York run in conjunction with the Actors Movement Studio and Fiasco Theater.

We returned to a full programme of in-person Train courses in 2022/23, running an Introductory course in April and Intermediate and Advance courses in November, all at our new Brixton House Theatre base.

We adapted our online Masterclass series, developed during the pandemic, into an in-person offering and ran a course in Blackpool in July and London in September.

REVIEW OF ACTIVITY AND ACHIEVEMENTS (continued)

We ran Teacher training CPD workshops in Southampton and London. In total we delivered 61 sessions working with 1,787 people.

Ignition

Ignition is our flagship, free, nationwide talent development programme for young people aged 16-24. Working with 12 regional partners across the UK, we seek out under-represented talent in unexpected places. Through a series of taster workshops and trials, we select 24 young people to participate in an Intensive Week during October half term, when they come together for the first time to create an original devised work in just five days. The work is performed in front of a public audience.

The programme had been forced to operate on a reduced and scaled-back version since 2019, owing to the pandemic. This year we were able to return to the full programme and also introduce some changes from the previous format. Originally designed to encourage young men, particularly those from working class backgrounds, into the arts, Ignition is now open to men and women and those who identify as such. We still champion those young people who experience barriers to participation in the arts owing to social and economic factors.

Ignition 2022 engaged with a total of 1074 young people across the UK in a total of 53 Taster and Trial workshops. The Intensive Week, attended by 24 participants, was a huge success and the performances, staged at our Brixton House Theatre base, were positively received by an appreciative audience, including a Deputy Lieutenant (Crown representative) for Greater London. The programme, Artistic Director Scott Graham and some of the participants were featured in a piece broadcast on BBC Radio 4's Front Row.

DIGITAL AND CREATIVE MEDIA

Frantic Assembly Studio

In October 2022, we launched the much-anticipated Frantic Assembly Studio, our online subscription platform for schools designed to support teachers and students to understand and work with the Frantic Method and bridge the gap between the professional rehearsal room and the classroom.

We launched the platform with over 16 hours of content, including warmups, workshop exercises, exploration of devising methods and behind-the-scenes footage of rehearsals and interviews with industry professionals. To date, we have over 100 schools subscribed and add new schools weekly.

We filmed our touring production of *Othello* in February 2023 and have since added this recording to the Studio. This enables students to rewatch a performance they may have seen live in the theatre and greatly assists with elements of the GCSE, BTEC and A Level syllabus.

REVIEW OF ACTIVITY AND ACHIEVEMENTS (continued)

The advent of Frantic Assembly Studio also saw us deepening our relationship with Digital Theatre Plus, a leading provider of online educational resources. In a unique deal Frantic Assembly Studio content has been licensed to Digital Theatre Plus and is now carried on its streaming platform in all international territories (excluding the UK), placing our content in thousands of schools across the world.

Feedback from schools using Frantic Assembly Studio:

"Our students love working with Frantic and this platform has made it feel as if you are in the classroom with us!" Thank you. Newent Community School and Sixth Form

"A game changer..." Cathedral Academy Wakefield

Social Media Statistics

Platform	Subscribers 2020/21	Subscribers 2021/22	Subscribers 2022/23
Facebook	12,382	14,452	14,977
Twitter	34,748	35,100	35,098
Instagram	23,416	25,500	29,400
YouTube	6,820	7,370	7,968
Vimeo	176	191	201

The total number of viewings of our YouTube content for the year was 177,511. The total number of viewings of our Vimeo content was 153,700 for the year.

FINANCIAL REVIEW

The charity's total income for the year was £1,087,849 (2022 – £612,903). Total expenditure amounted to £1,265,219 (2022 – £705,557). The charity's deficit for the year was therefore £177,370 (2022 – deficit of £92,654). When combined with funds brought forward, the charity's total reserves as at 31 March 2023 stood at £323,175 (2022 – £500,545).

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

	2022/23	Percentage of total income	2021/22	Percentage of total income
Earned income*	£861,876	79%	£178,220	29%
Donations	£714	-	£9,104	2%
Restricted grants	£nil	-	£50,299	8%
Arts Council England Cultural Recovery funding grant	£nil	-	£150,021	24%
Arts Council England NPO funding grant	£225,259	21%	£225,259	37%
Total income	£1,087,849		£612,903	

* Earned income includes bank interest of £1,601 (2022 – £988).

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 Administration and Overhead expenditure, including salaries. 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 2023 would be £100,848 to £201,695, based on the current year's unrestricted expenditure.

Of the total reserves of £323,175 (2022 – £500,545), £nil (2022 – £nil) was restricted. £120,000 of funds have been designated, or set aside, by the trustees for specific purposes (2022 – £120,000).

FINANCIAL REVIEW (continued)

Reserves Policy (continued)

Unrestricted general funds amounted to £203,175 (2022 – £380,545), of which £53,606 (2022 – £67,522) constituted fixed assets. Free reserves were therefore £149,569 (2022 – £313,023), which is in line with the target level for such reserves mentioned above.

PLANS FOR THE FUTURE

ARTISTIC ACTIVITY

Metamorphosis

Our touring production for 2023/24 is an adaptation of Kafka's novella *Metamorphosis*, adapted by poet and author Lemn Sissay OBE and directed by Scott Graham.

The show is co-produced with Theatre Royal Plymouth, Curve Leicester, MAST Mayflower Studios Southampton and Lyric Hammersmith Theatre. It opens at Theatre Royal Plymouth in early September and then tours to the following venues over a 13-week tour:

Curve Leicester, MAST Southampton, Connaught Theatre Worthing, Theatre Royal York, Liverpool Playhouse, Northern Stage Newcastle, Mercury Theatre Colchester, The Lowry Salford Quays, Yvonne Arnaud Theatre Guildford, Bristol Old Vic, Belgrade Theatre Coventry and closes with a four-week run at Lyric Hammersmith Theatre.

We have compiled an exciting creative team to work on the production:

Adaptor	Lemn Sissay OBE
Director	Scott Graham
Associate Director	David Gilbert
Designer	Jon Bausor
Lighting Designer	Simisola Majekodunmi
Video Designer	Ian William Galloway
Composer	Stefan Janik
Sound Designer	Helen Skiera
Costume Designer	Becky Gunstone
Casting Director	Will Burton CDG

The cast will be:

Gregor – Felipe Pacheco, Grete – Hannah Sinclair-Robinson, Father – Troy Glasgow, Mother – Louise Mai Newberry, Chief Clerk/Lodger – Joe Layton.

Softly Falling

During the year we will continue to develop our touring production for 2024/25, provisionally titled *Softly Falling*, and based on our relationship to snow and linked to memory and escapism. Our intention is that this will be a boldly physical, highly visual, image-led production that celebrates the Frantic Assembly tradition, as we enter our 30th anniversary year, whilst also deconstructing what the essence of a Frantic Assembly show is as we explore how and why we make work.

PLANS FOR THE FUTURE (continued)

The show will be co-produced with a group of venues including Lyric Hammersmith Theatre, MAST Mayflower Studios Southampton and Mercury Theatre Colchester, where it will open in September 2024.

PARTICIPATION

Following the successful build-back of our *Learn* and *Train* activity during the past year, we expect to see UK schools-based workshops continue at pre-pandemic levels. In 2023/24 we will be developing our international offer and look to return to territories that were on our regular circuit pre-2020 and aim to add more. The inclusion of Frantic Assembly Studio content on Digital Theatre Plus international platforms will introduce us to potential new clients, especially in the North American market where Digital Theatre Plus is particularly active.

Learn and Train Programmes

We will continue to offer our usual programme of 2, 4 and 6-hour workshops in Devising and Physicality and will add tailored workshops to accompany our *Metamorphosis* tour. We will once again work with Lyric Hammersmith Theatre on a schools wrap-around project with West London schools, exploring the themes of the show.

In May 2023 we visited New Zealand and Australia delivering a series of Learn and Train activity with schools, teachers, artists and venues. We delivered our first ever public workshops in New Zealand, working with Out East Creative (following a contact made at our 2022 International Summer School). Our practitioners also worked in Perth, Melbourne and Adelaide and with the New South Wales Arts Unit.

Our International Summer School will return in July 2023 and will take place at LAMDA. We will be welcoming participants from USA, Canada, France, Spain and Turkey amongst others.

Our Train programme will see us run Introductory, Intermediate, and Teacher Training activity in both London and with regional partners including Manchester Royal Exchange and MAST Mayflower Studios Southampton.

During the year we shall also be working with the following establishments:

Sharjah Performing Arts Academy, Dulwich College, Singapore Rep, Nashville Rep and London Southbank University

Ignition

Ignition will return for 2023 with new partners Brixton House Theatre, National Theatre of Scotland and Mercury Theatre Colchester.

We are currently fundraising for the programme for multi-year funding to secure the future of Ignition and aid long-term planning. To date we have received a grant from Backstage Trust.

PLANS FOR THE FUTURE (continued)

DIGITAL AND CREATIVE MEDIA

Frantic Assembly Studio

During the year we will focus on raising awareness of the platform and increasing subscriptions. We plan to record a performance of *Metamorphosis* to include on the platform together with some supporting, behind-the-scenes content, and this will be completed at the end of the tour in February/March 2024.

Frantic Digital

Frantic Digital was our free-to-access content that was first created in 2020 in response to the pandemic, and our desire to provide information and resources for our audiences and in particular teachers and students studying Drama at GCSE and A Level.

Our focus for Frantic Digital now is on developing content around our touring productions, providing insight and access to the creative process and engaging with audiences. We propose to create an interactive online task that people can share online, which will share thematic elements with *Metamorphosis*.

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	
Dorcas Morgan	Appointed 5 May 2022
Joanna Read	
Denzel Westley-Sanderson	
<hr/>	
Company secretary	
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Kerry Whelan	
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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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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 2022/23, the number of trustees was six. 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.

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. The board appoints working groups from time to time to assist it in its supervisory role; such working groups report to the board. In April 2021, the board established a working group, the Financial Controls, HR and Risks (FHRISK) working group, comprising three trustees (including the Chair) and the Executive Director, with a remit to conduct a review of risks and internal policies and to report to the board, together with any recommendations to update those policies.

Following satisfactory completion of this exercise and consequential updating of policies, the board resolved on 27 February 2023 that the FHRISK working group should be constituted, in accordance with the company's Articles of Association, as a standing committee of the board in order to support the board and the Executive Director in their responsibilities for ensuring the adequacy of all risk management, internal controls and governance arrangements. The committee was given new terms of reference, incorporating obligations to report and make recommendations to the board.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisation (continued)

This was in recognition of the need, as in any charity, for continued, robust monitoring of risk to safeguard the funds, assets and the reputation of Frantic Assembly.

The committee has two functions: -

- ◆ an audit function, working alongside the external auditors, with a focus on assurance arrangements over governance, financial reporting, and the annual report and accounts; and
- ◆ a risk assurance function, with a focus on ensuring there is an adequate and effective risk management and assurance framework in place, including controls and governance.

The committee advises the board on, amongst other matters: the planned activity and results of external audit and the adequacy of management response to issues identified by audit activity; policies for HR, counter-fraud and cyber / information security; and upholding standards of propriety in Frantic Assembly's business and achievement of value for money.

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 2022/23, the other team members included a full-time Head of Learning and Participation, a General Manager, a Learning & Participation Producer, a Learning Coordinator, and an Administrator.

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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Key management personnel and pay policy for senior staff (continued)

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.

While the risk profile in 2022/23 was still based around the impact of COVID-19, the major risks faced by the organisation in 2023/24 onwards are related to the uncertain economic environment and, in particular, the ongoing cost of living crisis, inflation and wage stagnation, all of which impacts our audiences' capacity to buy tickets. We rely on earned income from venue fees and box office returns of our touring productions to cover our touring and production costs. Box office income for our last tour, *Othello* (our first stage work since 2020), exceeded our targets and in the majority of venues we were able to exceed our guaranteed fee and benefit from box office share. The success of *Othello* helps our future work. Advance box office for our autumn 2023 tour of *Metamorphosis* is strong, and the audience and venue response to our work is positive. While this is encouraging, it is not a reason for complacency.

Alongside Box Office income, Frantic Assembly relies on co-production income to realise our productions. Loss or a significant reduction in 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. Our 2024/25 production, *Softly Falling*, will adopt the same model, and negotiations with co-producers are progressing.

A return of COVID-19 or a variant or some other pandemic remains a risk and would undoubtedly have a major impact on the organisation. However, while audience confidence seems to be returning, we feel confident to proceed with our activity plans. We have demonstrated that we are able to adapt and pivot to alternative forms of delivery if required and could do so again if necessary.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management (continued)

A significant proportion of the organisation's turnover is generated by our Learn & Train activity, particularly working with schools. The uptake of workshops by schools in 2022/23 gives us reason to be cautiously optimistic about the next year, but the Education Sector and particularly arts teaching remains precarious. In addition, Industrial action by teachers as well as by transport workers has adversely affected delivery in 2022/23 and could do so once again. To date though we do not any decrease in demand for our workshops. There is reason to believe these might even increase as we increase the exposure of our offering to international markets through partnership with Digital Theatre Plus.

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 seek to improve the quality of contemporary theatre-making teaching and also diversify our income streams. Launched in October 2022, the platform is still in its infancy, and we are building a subscription base. Our forecast of a per annum income of £100,000 will take time to achieve (estimate 2-3 years), but we have supplemented this UK income with royalties from international sales of licensed content, via our partner, Digital Theatre Plus.

We secured 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. Raising funds from Trusts and Foundations has become highly competitive and requires a significant investment of time. However, we have highly regarded projects with a demonstrable record of success, that meet many funders' criteria for support so we will continue to pursue these funds.

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;
- ◆ 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.

Trustees' report 31 March 2023

Trustees' responsibilities statement (continued)

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: 24th July 2023

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 2023 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 2023 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;

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

How the audit was considered capable of detecting irregularities including fraud (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.

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

How the audit was considered capable of detecting irregularities including fraud (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.

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is written in a cursive, flowing style.

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL
Date: 21 August 2023

Statement of financial activities (including an income and expenditure account)
Year to 31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £	Unrestricted funds £	Restricted funds £	Total 2022 £
Income from:							
Donations and legacies	1	225,535	438	225,973	375,414	59,269	434,683
Charitable activities							
. Operation of a theatre company	2	860,275	—	860,275	175,566	1,666	177,232
Interest receivable		1,601	—	1,601	988	—	988
Total income		1,087,411	438	1,087,849	551,968	60,935	612,903
Expenditure on:							
Charitable activities							
. Operation of a theatre company	3	1,264,781	438	1,265,219	504,338	201,219	705,557
Total expenditure		1,264,781	438	1,265,219	504,338	201,219	705,557
Net (expenditure) income before transfers	5	(177,370)	—	(177,370)	47,630	(140,284)	(92,654)
Transfers between funds	14	—	—	—	65,000	(65,000)	—
Net (expenditure) income and net movement in funds	5	(177,370)	—	(177,370)	112,630	(205,284)	(92,654)
Reconciliation of funds:							
Total funds brought forward at 1 April 2022		500,545	—	500,545	387,915	205,284	593,199
Total funds carried forward at 31 March 2023		323,175	—	323,175	500,545	—	500,545

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 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Intangible fixed assets	8		52,000		65,000
Tangible fixed assets	9		1,606		2,522
			53,606		67,522
Current assets					
Stocks	10	3,900		5,577	
Debtors	11	159,671		61,606	
Cash at bank and in hand		194,621		422,908	
		358,192		490,091	
Liabilities					
Creditors: amounts falling due within one year	12	(88,623)		(57,068)	
Net current assets			269,569		433,023
Total net assets			323,175		500,545
The funds of the charity:					
Restricted income funds	14		—		—
Unrestricted income funds					
. Designated funds	13		120,000		120,000
. General funds			203,175		380,545
			323,175		500,545

Approved by the trustees
and signed on their behalf by:

Mark R. Hawes

Chair of Trustees
Mark Hawes
Approved on: 24th July 2023

Amit Kataria

Trustee
Amit Kataria

Frantic Theatre Company Ltd

Company Registration Number: 02989694 (England and Wales)

Statement of cash flows Year to 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(229,888)	(101,577)
		<u>(229,888)</u>	<u>(101,577)</u>
Cash flows from investing activities:			
Interest received		1,601	988
Purchase of intangible fixed assets		—	(65,000)
Purchase of tangible fixed assets		—	(2,749)
Net cash provided by (used in) investing activities		<u>1,601</u>	<u>(66,761)</u>
Change in cash and cash equivalents in the year		(228,287)	(168,338)
Cash and cash equivalents at 1 April 2022	B	422,908	591,246
Cash and cash equivalents at 31 March 2023	B	<u>194,621</u>	<u>422,908</u>

Notes to the statement of cash flows for the year to 31 March 2023

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

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	(177,370)	(92,654)
Adjustments for:		
Depreciation charge	916	227
Amortisation	13,000	—
Interest receivable	(1,601)	(988)
Increase in debtors	(98,065)	(23,687)
Decrease (increase) in stocks	1,677	(5,577)
Increase in creditors	31,555	21,102
Net cash used in operating activities	<u>(229,888)</u>	<u>(101,577)</u>

B Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	194,621	422,908
Total cash and cash equivalents	<u>194,621</u>	<u>422,908</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 30 to 46 form part of these statutory financial statements.

Principal accounting policies Year to 31 March 2023

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 2023 with comparative information given in respect to the year ended 31 March 2022.

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 future impact of the cost of living crisis and the effect on audiences and clients 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.

To make this assessment in relation to the preparation of the financial statements of Frantic Theatre Company Ltd for the year ended 31 March 2023, the trustees have considered the following evidence:

- ◆ The current financial model including cost base, income projections, funding and reserves position

Principal accounting policies Year to 31 March 2023

Going concern (continued)

- ◆ Assessment of major risks in the next 12 – 18 months
- ◆ The financial management controls and reporting structure in place
- ◆ Forward projections and cashflow to July 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

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 tour average for *Othello* in 2022/23 was 59%. 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. The net cost of our 2022/23 production was (£900) compared to budget forecast of (£13,668)

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

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 secure a majority % of raised income will be considered viable, to protect the reserve position.

- ◆ 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).

Principal accounting policies Year to 31 March 2023

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 2023 to 31 July 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.

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.

Principal accounting policies Year to 31 March 2023

Income recognition (continued)

Income comprises donations and grants, income from charitable activities and interest receivable.

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.

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.

Principal accounting policies Year to 31 March 2023

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.

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
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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.

Principal accounting policies Year to 31 March 2023

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.

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.

Principal accounting policies Year to 31 March 2023

Taxation (continued)

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 £	2023 Total funds £
Arts Council England – NPO grant	225,259	—	225,259
Donations	276	438	714
2023 Total funds	225,535	438	225,973

	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

2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Co-production income and touring fees	408,546	—	408,546
Learn and Train	262,227	—	262,227
Sale of programs and merchandise	21,355	—	21,355
Royalties	56,215	—	56,215
License fees and subscriptions	18,750	—	18,750
Theatre tax relief	87,299	—	87,299
Sundry other income and reimbursements	5,883	—	5,883
2023 Total funds	860,275	—	860,275

	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

3 Expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Staff costs (note 7)	290,527	—	290,527
Creatives, cast, crew and practitioner fees	152,276	—	152,276
Travel, accommodation and subsistence	183,655	—	183,655
Production costs, including Learn and Train	478,031	438	478,469
Royalties and Commissions	26,820	—	26,820
Venue Hire	15,567	—	15,567
Training	1,999	—	1,999
Support and governance costs (note 4)	115,906	—	115,906
2023 Total funds	1,264,781	438	1,265,219

	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

4 Support and governance costs

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Support costs			
Printing, postage, stationery and advertising	648	—	648
Bank charges	1,807	—	1,807
Depreciation & amortisation	13,916	—	13,916
Website redesign and maintenance	1,771	—	1,771
Equipment	274	—	274
Subscriptions	2,115	—	2,115
Storage	10,477	—	10,477
Office costs	36,351	—	36,351
Telephone and internet	17	—	17
Insurance	6,133	—	6,133
IT	21,574	—	21,574
Sundry expenditure	4,799	—	4,799
	99,882	—	99,882
Governance costs			
Auditor's fees	10,295	—	10,295
Professional fees	5,729	—	5,729
	16,024	—	16,024
2023 Total funds	115,906	—	115,906

4 Support and governance costs (continued)

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

5 Net (expenditure) income and net movement in funds

This is stated after charging:

	Total 2023 £	Total 2022 £
Staff costs (note 7)	290,526	257,798
Auditor's remuneration		
. Statutory audit services	6,820	6,200
. Taxation services	1,485	1,350
. Other services	1,990	2,900
Amortisation	13,000	—
Depreciation	916	227
Operating lease rentals	31,031	24,496

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.

6 Taxation (continued)

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

	2023 £	2022 £
Wages and salaries	256,600	232,931
Social security costs	26,228	17,731
Pension costs	7,699	7,136
	290,527	257,798

No employees received remuneration in excess of £60,000 during the year (2022 – none).

The charity trustees received no remuneration from the charity during the year (2022 – £nil), nor were they reimbursed expenses during the year (2022 – £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 £124,886 (2022 – £121,507).

Staff numbers

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

	2023 Number	2022 Number
Charitable activities	5	7
Administration	2	2
	7	9

8 Intangible fixed assets

	Website £
Cost	
At 1 April 2022	65,000
Additions	—
31 March 2023	65,000
Amortisation	
At 1 April 2022	—
Charge for year	13,000
At 31 March 2023	13,000
Net book values	
At 31 March 2023	52,000
At 31 March 2022	65,000

9 Tangible fixed assets

	Fixtures and equipment £
Cost	
At 1 April 2022	34,150
Additions	—
Disposals	(29,416)
31 March 2023	4,734
Depreciation	
At 1 April 2022	31,628
Charge for year	916
Disposals	(29,416)
At 31 March 2023	3,128
Net book values	
At 31 March 2023	1,606
At 31 March 2022	2,522

10 Stocks

	2023 £	2022 £
Merchandise stock	3,900	5,577
	3,900	5,577

11 Debtors

	2023 £	2022 £
Trade debtors	15,485	38,290
Other debtors	160	8,253
VAT recoverable	—	2,457
Prepayments and accrued income	144,026	12,606
	159,671	61,606

12 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	30,204	23,511
Other creditors and accruals	16,584	9,453
Deferred income	12,088	21,489
Social security and other taxes	29,747	2,615
	88,623	57,068

Deferred income comprises advance payments received for workshops and residencies cancelled due to COVID-19. The activity the deferred income relates to will be delivered before the end of 31st March 2024

	2023 £	2022 £
At 1 April 2021	21,489	22,469
Amount released to income from charitable activities	(9,568)	(980)
Amount deferred in year	167	—
At 31 March 2022	12,088	21,489

13 Designated funds

	At 1 April 2022 £	New designations £	Utilised/ released £	At 31 March 2023 £
Designated funds				
Future productions fund	120,000	—	—	120,000
	120,000	—	—	120,000
	At 1 April 2021 £	New designations £	Utilised/ released £	At 31 March 2022 £
<i>Designated funds</i>				
<i>Future productions fund</i>	247,915	—	(127,915)	120,000
<i>Learning and Participation fund</i>	10,000	—	(10,000)	—
<i>Organisational development fund</i>	10,000	—	(10,000)	—
	267,915	—	(147,915)	120,000

13 Designated funds (continued)

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

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

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

Following a review of the charity's reserves policy, each of the designated funds were released in 2021/22 and these funds now form 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 to be ring-fenced to support the origination of *Metamorphosis*.

14 Restricted funds

	At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 2023 £
Ignition fund	—	438	(438)	—	—
	—	438	(438)		—

	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)	—

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 of 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 in 2021/22 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 2023	General funds £	Designated funds £	Restricted funds £	Total £
Tangible fixed assets	1,606	—	—	1,606
Intangible fixed assets	52,000	—	—	52,000
Cash at bank and in hand	74,621	120,000	—	194,621
Other net current assets	74,948	—	—	74,948
	203,175	120,000	—	323,175

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

16 Related party transactions

During the year, the trustees made aggregate donations to the charity of £150 (2022 – £5,148).

During the year Frantic Assembly performed *Othello* at the Yvonne Arnaud Theatre, Guildford where Frantic Assembly trustee Joanna Read is Artistic Director. Income of £36,356 was received from the entity and expenditure of £8,890 was incurred by Frantic Assembly in return.

Frantic Assembly also performed *Othello* at the York Theatre Royal during the year, where Frantic Assembly trustee Matthew Hunnybun was appointed a trustee on 1st March 2023. Income of £41,642 was received from the entity and expenditure of £8,011 was incurred by Frantic Assembly in return.

The associated fees were based on standard commercial terms, consistent with other venues on the tour, and no preferential treatment was given or received by the charity. Ms Read and Mr Hunnybun received no financial benefit linked to performances.

17 Leasing commitments

The future minimum operating lease commitments are as follows:

	2023 £	2022 £
Land and buildings		
Within one year	31,915	24,677
Between one and two years	31,915	—
Between two and five years	63,830	—
More than five years	5,319	—
	132,979	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.