

# **UNIVERSITY OF DERBY THEATRE LIMITED**

**(A company limited by guarantee)**

## **Trustees' Annual Report and Financial Statements**

**For the year ended 31 July 2024**

**Company Registration Number 06858792  
Registered Charity Number 1129005**

**UNIVERSITY OF DERBY THEATRE LIMITED**  
**(A company limited by guarantee not having a share capital)**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024**

**CONTENTS**

Members of Board, Officers and Professional Advisors .....	3
Trustees' Annual Report (including Strategic Report).....	4 - 10
Independent Auditor's Report to the Members of University of Derby Theatre Limited.....	11 - 14
Statement of Financial Activities (incorporating the Income and Expenditure Account) .....	15
Balance Sheet as at 31 July 2024.....	16
Notes to the Financial Statements .....	17 - 29

**UNIVERSITY OF DERBY THEATRE LIMITED**  
**(A company limited by guarantee not having a share capital)**

**MEMBERS OF BOARD, OFFICERS AND PROFESSIONAL ADVISORS**  
**AS AT 31 JULY 2024**

**REGISTERED IN ENGLAND AND WALES No. 06858792**

**CHARITABLE STATUS**

The Company is a registered charity.

**DIRECTORS AND MEMBERS**

Professor Kathryn Mitchell  
Richard Gerver  
Margaret Buddle  
Professor Keith McLay  
Jill Adamson  
Michael Pinchbeck  
Susan Ambler  
Elizabeth Nelson

**LEADERSHIP TEAM**

Sarah Brigham – Artistic Director & Chief Executive  
Iain Hayes – Executive Director  
Caroline Barth – Creative Learning Director

**AUDITOR**

BDO LLP  
Two Snowhill,  
Birmingham  
B4 6GA

**SOLICITORS**

Veale Wasbrough Vizards LLP  
Narrow Quay House,  
Narrow Quay,  
Bristol  
BS1 4QA

Shakespeare Martineau LLP  
No. 1 Colmore Square,  
Birmingham  
B4 6AA

**REGISTERED OFFICE**

Kedleston Road,  
Derby  
DE22 1GB

**BANKER**

HSBC Bank plc  
1 St. Peter's Street,  
Derby  
DE1 2AE

# UNIVERSITY OF DERBY THEATRE LIMITED TRUSTEES' ANNUAL REPORT

The Trustees present their Annual Report and Audited Financial Statements for the year ended 31 July 2024. The Trustees' Annual Report serves the purposes of a Trustees' report, a Directors' report and a strategic report, under company law.

This Annual Report describes the main trends and factors underlying our development, performance and position during the year ended 31 July 2024, as well as those likely to affect us in the future. The financial statements have been prepared in accordance with Charities SORP (FRS 102): Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

## Structure, Management and Governance

University of Derby Theatre Limited is a company limited by guarantee (registration number 06858792) and does not have share capital. It is also a registered charity. The charitable company's principal address is at 15, Theatre Walk, Derby.

The charitable company's governing document is the Memorandum and Articles of Association, 25 March 2011. Under the terms of the Memorandum and Articles of Association, each Trustee has undertaken to contribute a maximum of £1 in the event of a winding-up of the charitable company. The Trustees are also the Directors of the charitable company for the purposes of company law.

The charitable company recruits its Trustees from the artistic community and from the senior management of the University of Derby and the training and induction of new Trustees is performed by both internal and external courses and advice. The Trustees who served during the year and up to the date of signature of these accounts were as follows:

Professor Kathryn Mitchell  
Lara Ratnaraja (resigned 31 October 2023)  
Richard Gerver  
Margaret Buddle  
Professor Keith McLay  
Jill Adamson  
Michael Pinchbeck  
Ruchita Shaikh (resigned 10 October 2023)  
Susan Ambler  
Elizabeth Nelson (appointed 15 June 2023)  
Georgina Niemtus (appointed 10 May 2023, resigned 4 June 2024)

The operational management of the business is delegated to the charitable company's leadership team led by the Chief Executive. The Executive Director is the day-to-day operational manager of the business. No Trustee had any interests in any contract made by the charitable company during the financial year. The setting of pay for key management personnel is set by the Trustees and delegated on an operational basis to the Chair, who will undertake the review on an annual basis. Increases in pay are awarded in line with meeting personal annual objectives and in line with employee pay rise percentages.

The charitable company has a close relationship with the University of Derby. The relationship realises that the operations of the two organisations are closely inter-related and therefore the impact of decisions taken in one organisation must be assessed on the other entity. There are service level agreements with the University of Derby for the provision of services to the Theatre and for the rental of space to the College of Arts, Humanities and Education for its Theatre Arts courses. The charitable company is controlled by the University of Derby and, as such, is consolidated into the annual results of the University of Derby Group.

The Trustees endeavour to identify, monitor and control the major risks faced each financial year when preparing and monitoring the annual budget. The Trustees approve the annual budget, all major capital expenditure and other major financial and property matters. The Trustees also set the strategy for the business, monitor the performance of the business and review health and safety in the charitable company.

The system of internal control is designed to manage, rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives: to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2024 and up to the date of the approval of the financial statements. The Trustees

# UNIVERSITY OF DERBY THEATRE LIMITED

## TRUSTEES' ANNUAL REPORT

confirm that there is an ongoing process for identifying, evaluating and managing the charitable company's significant risks using a Corporate Risk Register. The charitable company's policy in respect of the payment of creditors is to comply with terms where payment is made 30 days after receipt of a valid invoice. The charitable company's accounts are filed with the Registrar of Companies and with the Charity Commission due to its registration.

### Objectives and Activities

The main activities of the charitable company are the running of a learning and community theatre both through in-house produced, and received work, and for the use of the theatre space by University of Derby College of Arts, Humanities and Education students.

#### *Mission*

We serve our community through creativity. We collaborate with the people of our city and region to make theatre that speaks for Derby and the county. We provide a space where artists can develop, and we have a unique partnership with the University of Derby. Our bold and brilliant work goes on tour across the country.

#### *Vision*

We strive to be the theatre Derbyshire deserves, working in ways that transform our region. Empowering artists, audiences and participants to tap into their potential and achieve. We create experiences that uplift hearts, broaden horizons and build change for the better.

Over the coming years, our programme aims to:

- Give our community agency through co-created projects.
- Entertain our city and beyond through bold, high quality, relevant entertainment.
- Support diverse artists through innovative talent development programmes.
- Support young people through formal education routes to enter the industry.
- Support young people in informal settings, helping them to achieve their potential.
- Support community cohesion through innovative community engagement.
- Showcase and develop the work with and for our deaf community.
- Disseminate our radical approach to running a theatre for the 21st Century through research and partnership.

### Public benefit statement

The Trustees have regard for the Charity Commission guidelines on public benefit in planning the activities of the Theatre. The Theatre continued to produce and present a diverse range of theatre, dance, music, comedy and circus across our main stage and studio spaces by professional companies and artists and local amateur talent. The learning programme went from strength to strength, with the Creative Learning team working in schools, community settings and in the Theatre, itself delivering a full programme of learning activities for all ages.

### Financial Review

The main sources of funding for the year ended 31 July 2024 were ticket sales income and grant funding from the University of Derby (UoD) and Arts Council England (ACE). Additional income was derived from the rent charged to the College of Arts, Humanities and Education for the use of teaching and rehearsal space along with funding from trusts and foundations and other box office and commercial sources such as catering, bars and hires.

The expenditure of the charitable company is in support of Artistic Programming, including artist development and the learning programme. It also supports the management and running of the Theatre including administration and maintenance of the Theatre premises.

The Memorandum and Articles of Association govern the Trustees' investment powers, which permit the charitable company's funds to be invested in, or on, such investments, securities or property as may be thought fit. All surplus funds are invested in bank or money market deposits. No investments are made in any other securities, financial instruments, or properties not related to the primary activities of the charitable company.

The Statement of Financial Activities for the year ended 31 July 2024 is set out on page 15.

The total income from trading activities of the charitable company during the year was £4,222,772 (2023: £5,074,702) including grant funding of £550,000 (2023: £550,000) and £326,004 (2023: £326,000) rental income from the University of

# UNIVERSITY OF DERBY THEATRE LIMITED

## TRUSTEES' ANNUAL REPORT

Derby. This was applied to total expenditure in the year of £5,421,466 (2023: £4,819,167).

Unrestricted funds fell modestly in the year by £300,455 (2023: £346,183). There was an outflow of restricted funds of £930,611 (2023: inflow £705,834), as several new projects have been won. The Theatre also utilised £119,753 of its designated reserve (2023: decrease of £159,319) in accordance with the aims of the designated reserve to support the ongoing sustainability of the Theatre.

A formal loan agreement exists relating to the intercompany loan from the University of Derby to University of Derby Theatre Limited for a maximum of £2,500,000, details of which can be found in Note 13.

### *Going Concern*

After making appropriate enquiries, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The Theatre also has a strong cash balance that the Trustees feel mitigates the current reserve position and gives a measure of safety while reserves are built up. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies (Note 1).

As well as being part of the University Group, the University of Derby provides significant annual grant funding and a long-term loan to the Theatre. As such it is felt relevant to note the following.

Review of Group forecasts across the 5-year plan period showed a forecast breach of the Debt Service covenants on three lending arrangements the Group has in place: a loan; an undrawn rolling credit facility (RCF) and private placement. As the forecast breach occurred on the baseline forecast, rather than a downside scenario, it was felt prudent to proactively engage with lenders to put in place mitigation. Discussions were undertaken with all three lenders and agreement has been obtained from each to waive the Debt Service covenants at the 31 July 2025 test date. All other covenants remain in place and are forecast to be met with substantial headroom. Baseline forecasts show a return to full covenant compliance at 31 July 2026 and annually thereafter. While these forecasts are predicated on a level of cost savings taking place within the Group over the next 18 months, stress testing of these shows maintained compliance even with significant downsides, for example delayed achievement of cost savings or no growth of key student types.

### *Fundraising*

Section 162a of the Charities Act 2011 requires us to make a statement regarding fundraising activities because we have an external audit. We undertake fundraising activities such as asking for donations to support the Theatre generally or for specific activities. We do not use professional fundraisers or “commercial participators” or indeed any third parties to solicit donations. We are therefore not subject to any regulatory scheme or relevant codes of practice, although we do follow the Fundraising Regulator code of practice. We have not received any complaints in relation to fundraising activities.

### *Reserves Policy*

In accordance with Charity Commission guidelines, the charitable company is required to ensure the sustainability of the organisation and maintain operating reserves to offset the impact of unforeseen events and operating cash flows. The total funds of the charitable company are £4,644,513 (2023: £5,875,579) and are discussed separately below.

While the Trustees believe that, given the current economic and funding environment, an appropriate level of unrestricted general reserves would be approximately three months of overhead expenditure, or approximately £450,000, currently the Theatre has unrestricted general reserves deficit position of £(201,128) (2023: deficit position of £(99,901)). The Trustees are aware that this falls short of the desired position but is understanding of the reasons for this position including the recent cost of livings shocks and continued behavioural change post-pandemic. In the current economic climate, the Board recognises that whilst building reserves further remains a key aim, returning a surplus in each financial year is challenging. As below, the Board plan to leverage the designated reserve fund to continue to develop audiences and improve returns.

The Trustees have therefore carefully considered the Theatre’s financial position and note the Theatre has a substantial designated reserve of £294,602 (2023: £414,355), which has been established for the specific purpose of building the future sustainability of the Theatre. It is anticipated approximately £80,000 will be used in 24/25, with a timeline for use of the remaining fund being developed in 24/25. In 2024, £119,753 (2023: £159,319) was spent to support building new audiences to drive increased future income. Any release of designated funds requires Trustee Board approval.

Lastly, unrestricted funds include a revaluation reserve of £3,547,422 (2023: £3,626,897) which will only be realised upon the

# UNIVERSITY OF DERBY THEATRE LIMITED

## TRUSTEES' ANNUAL REPORT

disposal of the theatre building lease. Management has no intention of disposing of the theatre building in the foreseeable future.

The restricted funds position at the year-end was £1,003,617 (2023: £1,934,228) and were not available for general purposes.

### Principal Risks and Uncertainties

The Theatre risk register is reported quarterly at Theatre Board meetings, with risks being regularly updated. Risks are assigned to a risk categories and given a risk score from low to very high. This score is considered at the inherent level before controls are put in place and then re-appraised following consideration of controls and mitigation to give a residual risk score. The Theatre consider the following to be key risks:

Risk	Mitigation
Non-compliance with funder requirements (for example delivery of the ACE investment principal metrics)	Regular monitoring via Executive and Board meetings, regular updates with funders to discuss progress against metrics and to discuss any challenges with sufficient time to agree alternative deliverables.
Continued budget deficits (continuing negative reserves)	The Theatre reviews budgets and forecast regularly to ensure costs are controlled. Award of LUF funding will allow for the expansion of the Theatre frontage, resulting in better visibility and footfall to the Theatre. This is hoped to increase audience numbers and secondary spend within the Theatre. The new studio theatre will have an increased capacity allowing different programming and maximized returns on show types which sell out the current studio theatre space.
Diversification of audience demographic	Theatre core audiences have consisted of an older demographic. Programming and pricing will be balanced to ensure there is sufficient diversity of scheduling to attract schools, families and diverse audiences.

### Achievements and performance

Derby Theatre continues to be an Arts Council England National Portfolio Organisation and, following a global extension, this funding is now secured until March 2027. The Theatre has had a successful year, continuing to produce, co-produce and co-create high quality artistic productions for the main stage. We continued to work on large scale collaborative partnerships with local and national significance including: Derby CAN (ACE's Producing Hub programme, match funded by the Paul Hamlyn Foundation); and Plus One (funded by the Esmée Fairbairn Foundation).

Derby Theatre is a key partner in Derby's Cultural Education Partnership (DCEP), an initiative which has been developed in response to the Arts Council of England's Cultural Education Challenge, launched in October 2015. The partnership is steered by Arts Council England National Portfolio Organisations: Derby Theatre, QUAD, Déda, Derby Museums, Sinfonia ViVA, Baby People and EMCCAN (East Midlands Caribbean Carnival Arts Network) but more recently joined by other smaller arts organisations like Hubbub, DigiMusic and Surtal Arts. The University of Derby is also a partner, alongside a school and the group is chaired by Anna Mimms, Director of Learning and Skills at Derby City Council.

Our in-house production season opened with 4 Walls, a new play by local music producer and hip-hop artist Rukus. A Derby Theatre production as part of Derby CAN, the show was rescheduled from June 2022 and directed by Anastasia Osei-Kuffour and hugely well received by the audience.

In September, Derby Theatre re-mounted its hit version of Brassed Off, a sell-out production first directed by Sarah Brigham in 2015. The show was a resounding success with audiences and critics alike, receiving multiple standing ovations across the four-week run. An indicator of the challenge in capturing audiences post-covid, box office returns were lower than hoped despite the jubilant reception.

A striking new version of Cinderella by Annie Siddons brought 2023 to a close. Directed by Bryn Holding, the show took to the main stage for Christmas and featured a multi-talented cast of actor-musicians and songs by SuRie.

Meanwhile in the studio we presented the charmingly accessible Three Billy Goats Gruff for younger audiences, with our production partners at Hiccup Theatre and Polka Theatre. Directed by Sarah Brigham, this sell out studio run was bilingual, presented in BSL and English with creative captioning and fully integrated audio description.

# UNIVERSITY OF DERBY THEATRE LIMITED

## TRUSTEES' ANNUAL REPORT

In the new year, we welcomed George Orwell's *Animal Farm* to the main house, co-produced with Bolton Octagon (lead partner) and Hull Truck.

Finally, in the main house we presented *Alice in Wonderland*, a new version by Nicola Werenowska based on Lewis Carroll's book and directed by Sarah Bringham. Featuring actor-musicians, Deaf, hearing and interpreting actors, with the Deaf and hearing audience in mind, British Sign Language (BSL) was used throughout with creative captioning integrated into the set.

Our received programme continued to grow, presenting a varied programme for diverse audiences across a range of artforms including dance, comedy, drama and family work. The size of the box office for some weeks was challenging, pointing up the scale of the audience-return challenge.

A variety of new, challenging and interesting works were presented in the studio – many of which went on to perform in the Edinburgh Festival Fringe 2024.

The Theatre continued to work with In Good Company (IGC), a fellow subsidiary of University of Derby, to support artistic companies and independent artists across the region. We delivered advice and guidance sessions to support on project planning and production. A joint project, funded by the Jerwood Developing Artists Fund, supported a cohort of early career producers with skills workshops and residencies.

Also in partnership with IGC, the Theatre delivered its annual Departure Lounge Festival in July 2024 which saw industry professionals, artists and critics attend a range of panel discussions and performances.

The Theatre continued to deliver its pioneering learning and community work, including:

- Ten weekly youth theatre groups, including a group for D/deaf young people. Eight of these groups performed a fully designed and produced show in the main house or studio. Approximately 150 participants attended throughout the year.
- The Derby Theatre Ambassadors group continued to help shape the future direction for the young people's programme.
- In partnership with artist Nicky Bellinger and Universal Services for Carers in Derby we continued delivering and developing the Carers Café. The Café is a creative space for those living with dementia and their carers to come together once a month.
- With Maison Foo we hosted Meet Your Neighbour events. We maintained our Theatre of Sanctuary status in recognition of our work with and for new arrivals.
- We have just finished the first year of our Place Partnership Programme, delivered and steered by DCEP and project managed by Derby Theatre. Community hub locations have been delivering in areas of high deprivation, responding to local needs and stories. One of these hubs is integral to the council's Family Hubs programme for very young children and their families. In addition to this, the Future Creatives strand has been supporting the opportunities for young people to sample and build potential careers in the creative industries. They produced a "take-over" event at Derby Theatre and have also helped the theatre become a more welcoming space for young people.
- Plus One is the programme which works with care-experienced young people and partners across the city to help develop their confidence, ability to build relationships and employability skills. One-to-one creative mentoring sessions support those least able to get involved in bigger projects. There is also now a regular Plus One youth theatre that performed a curtain raiser on the main stage and a weekly digital animation club. We also launched the new post 16 strand in partnership with Derby City's Virtual School and young people performed and produced a number of key events in the city. In addition, Plus One was commissioned to produce a film called *One Day*, that explored the stigma of being in care. Approximately 250 young people and families took part in last year's activities.
- *Making and Believing*, finished in March, culminating in a national conference at Derby Theatre. It was a project for nurseries and early years settings where artists deliver long-term interventions and then shows tour to the settings and the theatre. Around 10 nurseries and 120 children were involved and the project was delivered in partnership with Take Art in Somerset and Surrey County Council.
- *Speak Out*, a project that is part of the Paul Hamlyn Teacher Development Fund, working with 6 primary schools and one secondary school in the Catholic Multi Academy Trust. 12 teachers are being supported by 6 artists to develop their drama skills in order to support the oracy skills of children with English as an additional language.



# UNIVERSITY OF DERBY THEATRE LIMITED

## TRUSTEES' ANNUAL REPORT

In addition to the above, the learning team has continued to deliver a workshop programme for schools and teachers, which included Careers Days, Discover Days and show-related workshops. A work experience programme was also delivered to year 10 students. We also continued to develop Connect Up, an international project in which 12 partners from across Europe create new work for 12+ along with learning programmes for artists and teachers.

All departments across the Theatre delivered the 'Spotlight On' modules for theatre-based University of Derby programmes across all year groups. The MA students are fully integrated into the Learning Theatre delivery model. The Theatre supported all student shows and the MA symposium. The Theatre also works with several other programmes and initiatives across the University, for example the Dracula Research Project with the Humanities Department and an event supporting the understanding of the Deaf community within the context of the University.

Through the Derby CAN project, which came to a close during this year, the theatre supported a World Music Festival and Derby's first Mela for over a decade, both successful community led events held in Normanton Park in August 2023.

Over the past year, Derby Theatre has continued delivery on multi-year funded projects including Reaching Communities supported by National Lottery Community Foundation, Plus One supported by Esmée Fairbairn, Speak Out funded by Paul Hamlyn and leading DCEP's Place Partnership project, CANVAS, funded by ACE. A number of further match-funding grants were secured from a range of sources including the Tom Carey Foundation and Derby City Council to support the delivery of CANVAS. Derby Theatre supported In Good Company (IGC) in successful applications to The Garrick Trust, Arts Fundraising and Philanthropy and East Midlands Railway Community Fund to enhance their workshop programme and contribute to the community aspects of the 2024 Departure Lounge Festival. A grant from the Equity Charitable Trust has enabled the installation of a video relay system in dressing rooms and backstage, which has improved experience and accessibility for deaf actors and creatives working at the theatre.

### **Future Plans**

Derby Theatre continues to deliver a bold and brilliant programme of work, which meets its vision and mission. The primary objective of Derby Theatre is to ensure it continues to pioneer its innovative model, which sees learning and community placed at the heart of its role as a producing theatre, as part of a unique relationship with the University of Derby.

We will continue to deliver high quality theatre productions, innovative learning programmes and transformational artist development schemes. As an Arts Council England NPO organisation, the theatre's programme and business model will continue to align with ACE's Let's Create Strategy and Investment Principles.

In November 2023, Derby Theatre received confirmation that it is being granted £10m for development of a new studio theatre from the (former) Department of Levelling Up, Housing and Communities. This investment will increase the number of seats available in the studio and bring the studio entrance into the main theatre, making the space more attractive and accessible while allowing a wider range of shows to be scheduled. Contracts were signed in relation to this funding in November 2024, following a delay due to the general election, and work is now ongoing. The Trustees feel this is an important step to strengthen the financial sustainability of the Theatre over the longer term.

### **Funds held as custodian trustee on behalf of others**

The charitable company does not hold funds as a custodian trustee on behalf of others.

### **Trustees' responsibilities statement**

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

# UNIVERSITY OF DERBY THEATRE LIMITED TRUSTEES' ANNUAL REPORT

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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.

## **Disclosure of information to auditor**

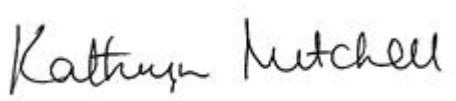
The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the charitable company's auditor is unaware; and each Trustee has taken all the steps that ought to have been taken as a Trustee to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

## **Appointment of Auditor**

BDO LLP have expressed their willingness to continue in office as auditor and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

## **Board Approval**

The Trustees' Annual Report, incorporating a strategic report, was approved by the board of Trustees on 18 December 2024 and signed on their behalf by



**Professor Kathryn Mitchell**  
Chair of Trustees  
19 December 2024

# INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF UNIVERSITY OF DERBY THEATRE LIMITED

## Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 July 2024 and of its incoming resources and application of resources 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.

We have audited the financial statements of University of Derby Theatre Limited ("the Charitable Company") for the year ended 31 July 2024 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

## 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We remain 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.

## Conclusions related to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF UNIVERSITY OF DERBY THEATRE LIMITED**

## **Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

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 misstatement in the Strategic Report or 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of Trustees**

As explained more fully in the 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**

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

### *Extent to which the audit was capable of detecting irregularities, including fraud*

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:

# INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF UNIVERSITY OF DERBY THEATRE LIMITED

## *Non-compliance with laws and regulations*

Based on:

- Our understanding of the Charitable Company and the sector in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Charitable Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the Companies Act 2006, Charities Act 2011, Financial Reporting Standard 102, Charities SORP (FRS 102) – Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) and UK tax legislation.

The Charitable Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be employment law, data protection and health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Involvement of tax specialists in the audit.

## *Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Charitable Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override including the posting of inappropriate journals to manipulate financial results and management bias in accounting estimates. In addition, we considered revenue recognition an area to be susceptible to fraud, particularly in relation to the posting of journals to material revenue streams and the recognition of grant income in line with performance conditions.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- A review of estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any systematic bias;
- In addressing the risk of fraud through improper income recognition, we tested the appropriateness of certain journals to material revenue streams and testing a sample of grant contracts to ensure appropriate recognition during the year, including correct treatment of any accrued or deferred income; and
- A review of unadjusted audit differences for indications of bias or deliberate misstatement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and

# INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF UNIVERSITY OF DERBY THEATRE LIMITED

transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://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.

DocuSigned by:  
*Samantha Lifford*  
FC86A145C4F04E5...

**Samantha Lifford (Senior Statutory Auditor)**

For and on behalf of BDO LLP, statutory auditor  
Birmingham, UK

Date 20 December 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)**

FOR THE YEAR ENDED 31 JULY 2024

		Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
		2024	2024	2024	2023	2023	2023
	Note	£	£	£	£	£	£
<b>Income</b>							
Donations and legacies	2	1,506,074	118,564	1,624,638	1,498,715	1,517,418	3,016,133
Charitable activities	3	2,239,333	-	2,239,333	1,787,097	-	1,787,097
Other trading activities	4	262,198	-	262,198	207,094	-	207,094
Investment income	5	96,603	-	96,603	64,378	-	64,378
<b>Total income</b>		<b>4,104,208</b>	<b>118,564</b>	<b>4,222,772</b>	<b>3,557,284</b>	<b>1,517,418</b>	<b>5,074,702</b>
<b>Expenditure</b>							
Raising funds	6	(474,723)	-	(474,723)	(359,525)	-	(359,525)
Charitable activities	6	(3,832,018)	(1,114,725)	(4,946,743)	(3,643,580)	(816,062)	(4,459,642)
<b>Total expenditure</b>		<b>(4,306,741)</b>	<b>(1,114,725)</b>	<b>(5,421,466)</b>	<b>(4,003,105)</b>	<b>(816,062)</b>	<b>(4,819,167)</b>
<b>Net (expenditure)/income before transfers and revaluation</b>		<b>(202,533)</b>	<b>(996,161)</b>	<b>(1,198,694)</b>	<b>(445,821)</b>	<b>701,356</b>	<b>255,535</b>
Transfer between funds	14	(65,550)	65,550	-	(4,478)	4,478	-
Revaluation in year	14	(32,372)	-	(32,372)	104,116	-	104,116
<b>Net (expenditure) / income and net movement in funds for the year</b>		<b>(300,455)</b>	<b>(930,611)</b>	<b>(1,231,066)</b>	<b>(346,183)</b>	<b>705,834</b>	<b>359,651</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		3,941,351	1,934,228	5,875,579	4,287,534	1,228,394	5,515,928
Net movement in funds		(300,455)	(930,611)	(1,231,066)	(346,183)	705,834	359,651
<b>Total funds carried forward</b>		<b>3,640,896</b>	<b>1,003,617</b>	<b>4,644,513</b>	<b>3,941,351</b>	<b>1,934,228</b>	<b>5,875,579</b>

The statement of financial activities includes all gains and losses recognised in the year.

All the activities of the charitable company are classed as continuing.

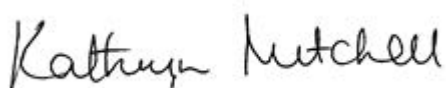
Notes to the financial statements are shown on pages 17 – 29.

**BALANCE SHEET AS AT 31 JULY 2024**

COMPANY NUMBER 06858792

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Tangible fixed assets	10	4,864,270	4,970,641
<b>Current assets</b>			
Stocks		8,768	10,413
Debtors	11	1,650,331	2,097,663
Cash at bank		1,201,724	1,873,318
		<u>2,860,823</u>	<u>3,981,394</u>
<b>Creditors:</b> amounts falling due within one year	12	(980,371)	(1,042,501)
<b>Net current assets</b>		<u>1,880,452</u>	<u>2,938,893</u>
<b>Total assets less current liabilities</b>		<u>6,744,722</u>	<u>7,909,534</u>
<b>Creditors:</b> amounts falling due after more than one year	13	(2,100,209)	(2,033,955)
<b>Net assets</b>		<u>4,644,513</u>	<u>5,875,579</u>
<b>Funds:</b>			
Unrestricted funds	14	(201,128)	(99,901)
Designated funds	14	294,602	414,355
Revaluation reserve	14	3,547,422	3,626,897
<b>Total unrestricted funds</b>		<u>3,640,896</u>	<u>3,941,351</u>
Restricted funds	14	1,003,617	1,934,228
<b>Total funds</b>		<u>4,644,513</u>	<u>5,875,579</u>

The Financial Statements on pages 15 – 29 were approved by the board of Trustees on 18 December 2024 and were signed on its behalf by:



**Professor Kathryn Mitchell**  
Chair of Trustees  
19 December 2024



# UNIVERSITY OF DERBY THEATRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

### 1. Accounting policies

University of Derby Theatre Limited is a charitable company, limited by guarantee, incorporated in England under the Companies Act 2006. The address of the registered office is shown on the 'Members of Board, Officers and Professional Advisors' page and the nature of the charitable company's principal activity is shown in the Trustees' Annual Report.

The financial statements are prepared and presented in £ sterling which is the functional currency of the charitable company. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements except as noted below.

#### Accounting convention

The financial statements of the charity have been prepared in accordance with the Charities SORP (FRS 102) – Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

University of Derby Theatre Limited meets the definition of a public benefit entity under FRS 102. Financial statements are drawn up on the historical cost accounting basis, modified to include the revaluation of certain fixed assets.

#### Exemptions

The charitable company's ultimate parent undertaking, the University of Derby, includes the charitable company in its consolidated financial statements. The consolidated financial statements of The University of Derby are prepared in accordance with FRS 102 and are available to the public and may be obtained from the University of Derby, in these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- cash flow statement and related notes

#### Going Concern

The Trustees carefully review the financial and cash plans of the charitable company on a regular basis. In doing so, this enables them to plan and proactively prepare for events which might otherwise cause significant impact on the business. The Trustees have also worked hard to evaluate the financial impact of the changing scenarios over the period to July 2026. This has enabled management to prepare a going concern forecast to July 2026, more than 12 months from the date of signing the financial statements.

Projections show modest improvement over the medium term with the continued support of the University of Derby. The University has provided grant funding of £550,000 during the year and has indicated its willingness to continue to provide consistent funding via the approval by its Governing Council of its five-year financial plan. Review of Group forecasts across the 5-year plan period have shown a forecast breach of the Debt Service covenants on three lending arrangements the Group has in place: a loan; an undrawn rolling credit facility (RCF); and private placement. As the forecast breach occurred on the baseline forecast, rather than a downside scenario, it was felt prudent to proactively engage with lenders to put in place mitigation. Discussions were undertaken with all three lenders and agreement has been obtained from each to waive the Debt Service covenants at the 31 July 2025 test date. All other covenants remain in place and are forecast to be met with substantial headroom. Baseline forecasts show a return to full covenant compliance at 31 July 2026 and annually thereafter. While these forecasts are predicated on a level of cost savings taking place within the Group over the next 18 months, stress testing of these shows maintained compliance even with significant downsides, for example delayed achievement of cost savings or no growth of key student types.

The Theatre is also in receipt of NPO funding until 31 March 2026, and ACE have announced that the current awards will be extended for an additional year to 31 March 2027.

Additionally, contracts have now been signed on the £10m Levelling Up Funding that the Theatre was awarded in November 2023. Work on redeveloping its Studio Theatre into a larger capacity venue, enabling better alignment of space and shows, and improving potential returns, is now underway.

Therefore, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the charitable company continues to adopt the going concern basis in preparing the annual financial statements.

# UNIVERSITY OF DERBY THEATRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

### **Income**

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

Income received in advance of a theatrical performance or provision of other specified service is deferred until the criteria for income recognition are met.

Income in respect of rental income is recognised on a straight-line basis over the period in which the theatre hall is rented.

Income from Government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from the sale of goods or services including catering is recognised when the goods or services are supplied to the external customers, or the terms of the contract have been satisfied.

Tax recoverable under the Theatre Tax Relief scheme is accrued in the year in which the production takes place and therefore there is entitlement.

### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of catering services provided by the theatre and their associated support costs.
- Expenditure on charitable activities includes the costs of performances, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

### ***Allocation of support costs***

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities.

Support costs include administration costs, finance, personnel, payroll and governance costs which support the charitable company's artistic programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. Support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

### **Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company. This is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

### **Taxation**

#### ***Corporation tax***

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charitable company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### ***Value added tax***

The charitable company's income is exempt from Value Added Tax (VAT) except as regards its commercial undertakings and certain consultancy activities, which are at standard rate. Irrecoverable input VAT is included in the relevant expenditure categories.

### **Tangible fixed assets**

It is the policy of the charitable company to carry out a full revaluation of its buildings every three years. In the intervening years, a desktop revaluation exercise is conducted. The valuations are carried out by Gerald Eve LLP, with a

# UNIVERSITY OF DERBY THEATRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

desktop valuation being carried out at 31 July 2024.

All other tangible fixed assets are stated at cost. Items of equipment costing less than £10,000 are recorded in the Statement of Financial Activities as premises costs in the year of purchase.

Depreciation for all assets is provided to depreciate the cost or valuation of fixed assets, over their estimated useful lives on a straight-line basis, at the following annual rates:

Leasehold buildings	Over the term of the lease
Plant and equipment	Between 10% and 33.3%
IT infrastructure and computer equipment	Between 20% and 33.3%

### Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

### Debtors

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

### Liabilities

Liabilities 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.

Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

### Financial Instruments

All loans, investments and short-term deposits held by the charitable company are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost; however, the charitable company has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the Balance Sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

### Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

### Post-retirement benefits

The charitable company participates in the National Employment Savings Trust (NEST) defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The amount charged to the statement of financial activities represents the contributions payable to the scheme in respect of the accounting period.

### Fund Accounting

Unrestricted funds are those which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

### Accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates and assumptions. It also requires

**UNIVERSITY OF DERBY THEATRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024**

management to exercise its judgement in the process of applying accounting policies. Estimates, assumptions and judgements are continually evaluated based on available information and experience. Estimates based on assumptions and judgements could differ significantly from actual results.

The areas most affected using estimates and judgements are described below:

***Tangible fixed assets***

Tangible fixed assets are depreciated over their useful lives considering residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are considered. Residual values assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

***Valuation of buildings***

The fair value of the buildings of the charitable company have been provided to management by an independent valuation expert, Gerald Eve LLP, at the reporting date, as instructed. They have made assumptions in the determination of the fair value of the property in respect of the condition of the property, health of the property market in the location where the property is situated and in respect of the range of reasonable fair value estimates of the asset.

***Impairment***

Management make judgement as to whether the Theatre is appropriately valued at each Balance Sheet date and whether any indicators of impairment exist. Discussions are held prior to year-end to assess market movements, planned changes and any other indicators which might warrant a change in the carrying value of an asset. Should an impairment be indicated, a third-party valuer would be contracted to estimate the change in carrying value at the Balance Sheet date.

**UNIVERSITY OF DERBY THEATRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024**

**2. Income from donations and legacies**

	<b>Unrestricted funds 2024 £</b>	<b>Restricted funds 2024 £</b>	<b>Total funds 2024 £</b>	<b>Total funds 2023 £</b>
Donations	24,162	17,410	41,572	38,105
Grants	1,481,912	101,154	1,583,066	2,978,028
<b>Total</b>	<b>1,506,074</b>	<b>118,564</b>	<b>1,624,638</b>	<b>3,016,133</b>

Restricted funds of £1,517,418 and unrestricted funds of £1,498,715 were received in 2023.

**3. Income from charitable activities**

	<b>Unrestricted funds 2024 £</b>	<b>Total funds 2024 £</b>	<b>Total funds 2023 £</b>
Theatre activities	1,498,916	1,498,916	1,240,906
Rental income	326,004	326,004	337,477
Other income	7,527	7,527	1,500
Theatre tax credit	406,886	406,886	207,214
<b>Total</b>	<b>2,239,333</b>	<b>2,239,333</b>	<b>1,787,097</b>

Restricted funds of £nil and unrestricted funds of 1,787,097 were received in 2023.

**4. Income from other trading activities**

	<b>Unrestricted funds 2024 £</b>	<b>Total funds 2024 £</b>	<b>Total funds 2023 £</b>
Catering	262,198	262,198	207,094
<b>Total</b>	<b>262,198</b>	<b>262,198</b>	<b>207,094</b>

Restricted funds of £nil and unrestricted funds of £207,094 were received in 2023.

**5. Investment income**

	<b>Unrestricted funds 2024 £</b>	<b>Total funds 2024 £</b>	<b>Total funds 2023 £</b>
Interest receivable	96,603	96,603	64,378
<b>Total</b>	<b>96,603</b>	<b>96,603</b>	<b>64,378</b>

Restricted funds of £nil and unrestricted funds of £64,378 were received in 2023.

**UNIVERSITY OF DERBY THEATRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024**

**6. Expenditure by activity**

	Direct costs 2024	Support costs 2024	Total costs 2024	Direct costs 2023	Support costs 2023	Total costs 2023
	£	£	£	£	£	£
<b>Cost of raising funds</b>						
Donations and fundraising	71,146	35,204	106,350	41,011	22,518	63,529
Other trading	246,434	121,939	368,373	191,080	104,916	295,996
	<u>317,580</u>	<u>157,143</u>	<u>474,723</u>	<u>232,091</u>	<u>127,434</u>	<u>359,525</u>
<b>Cost of charitable activities</b>						
Theatre activities	2,320,707	1,148,320	3,469,027	2,001,807	1,099,123	3,100,930
Creative learning	50,988	25,230	76,218	44,923	24,666	69,589
Funded Projects	937,573	463,925	1,401,498	832,194	456,929	1,289,123
	<u>3,309,268</u>	<u>1,637,475</u>	<u>4,946,743</u>	<u>2,878,924</u>	<u>1,580,718</u>	<u>4,459,642</u>
<b>Total expenditure</b>	<u>3,626,848</u>	<u>1,794,618</u>	<u>5,421,466</u>	<u>3,111,015</u>	<u>1,708,152</u>	<u>4,819,167</u>

**7. Support costs by activity – current year**

	Raising funds 2024	Theatre activities 2024	Creative learning 2024	Funded projects 2024	Total costs 2024
	£	£	£	£	£
<b>Support cost allocation</b>					
Premises costs	58,241	425,597	9,351	171,943	665,132
Management and staff costs	81,813	597,846	13,135	241,532	934,326
Legal, professional and finance costs	1,724	12,597	277	5,089	19,687
Audit and taxation	2,766	20,211	444	8,165	31,586
Office costs	12,599	92,069	2,023	37,196	143,887
<b>Total support costs</b>	<u>157,143</u>	<u>1,148,320</u>	<u>25,230</u>	<u>463,925</u>	<u>1,794,618</u>

**Support costs by activity – prior year**

	Raising funds 2023	Theatre activities 2023	Creative learning 2023	Funded projects 2023	Total costs 2023
	£	£	£	£	£
<b>Support cost allocation</b>					
Premises costs	56,120	484,038	10,862	201,225	752,245
Management and staff costs	59,215	510,731	11,461	212,321	793,728
Legal, professional and finance costs	4,654	40,139	901	16,687	62,381
Audit and taxation	2,980	25,704	577	10,686	39,947
Office costs	4,465	38,511	865	16,010	59,851
<b>Total support costs</b>	<u>127,434</u>	<u>1,099,123</u>	<u>24,666</u>	<u>456,929</u>	<u>1,708,152</u>

No governance costs were incurred by the Theatre (2023: £nil).

**8. Net movement in funds for the year**

	2024	2023
	£	£
Net movement in funds for the year is stated after charging:		
Auditor's remuneration - as auditors	23,400	22,980
Auditor's remuneration - non audit services	-	-
Depreciation on tangible fixed assets	170,031	170,258

**UNIVERSITY OF DERBY THEATRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024**

**9. Staff costs**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,879,542	1,606,118
Social security costs	107,693	110,823
Pension costs	68,731	58,978
	<u>2,055,966</u>	<u>1,775,919</u>

The pension cost charge for the period represents contributions payable by the Company to the NEST scheme and private defined contribution schemes and amounted to £68,731 (2023: £58,978). Contributions amounting to £17,879 (2023: £17,879) were payable to the scheme and are included in creditors.

Particulars of employees:

The average number of staff employed by the charitable company during the financial year amounted to:

	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
Employees	108	107

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	1	1

These 3 employees received employers pension contributions in year of £9,710 (2023: £6,711).

The key management personnel of the company comprised 3 staff members of the Senior Leadership Team. The total employee benefits of the key management personnel, including National Insurance contributions were £226,950 (2023: £166,337).

No Trustee received remuneration from the charitable company during the year. Expenses of £nil (2023: £nil) were paid in the year. The company paid £nil (2023: £nil) during the year in respect of Directors and Officers liability insurance.

**10. Tangible fixed assets**

	<b>Leasehold buildings</b>	<b>Plant and equipment</b>	<b>Total</b>
<b>Cost or valuation</b>	<b>£</b>	<b>£</b>	<b>£</b>
On 1 August 2023	4,502,000	1,186,131	5,688,131
Additions	-	96,032	96,032
Disposals	-	-	-
Revaluation	(91,000)	-	(91,000)
On 31 July 2024	<u>4,411,000</u>	<u>1,282,163</u>	<u>5,693,163</u>
<b>Depreciation</b>			
On 1 August 2023	-	(717,490)	(717,490)
Charge for the year	(58,628)	(111,403)	(170,031)
Disposals	-	-	-
Revaluation	58,628	-	58,628
On 31 July 2024	<u>-</u>	<u>(828,893)</u>	<u>(828,893)</u>
<b>Net book value</b>			
On 31 July 2024	<u>4,411,000</u>	<u>453,270</u>	<u>4,864,270</u>
On 1 August 2023	<u>4,502,000</u>	<u>468,641</u>	<u>4,970,641</u>

**UNIVERSITY OF DERBY THEATRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024**

**10. Tangible fixed assets (continued)**

In accordance with FRS102, a valuation of the leasehold building was performed independently by Gerald Eves LLP, Chartered Surveyors, as of 31 July 2024. The valuation was performed in accordance with the Statement of Asset Valuation and Guidance Notes, published by the Royal Institute of Chartered Surveyors.

The historic cost and accumulated depreciation of properties held at fair value is as follows:

	2024	2023
	£	£
Historic cost	1,011,677	1,011,677
Depreciation	(153,980)	(142,695)
Net book value	<u>857,697</u>	<u>868,982</u>

**11. Debtors**

	2024	2023
	£	£
Trade debtors	19,737	133,664
Amounts owed by group companies	47,060	3,138
Other debtors	25,809	36,212
Prepayments and accrued income	<u>1,557,725</u>	<u>1,924,649</u>
	<u>1,650,331</u>	<u>2,097,663</u>

**12. Creditors amounts falling due within one year**

	2024	2023
	£	£
Trade creditors	96,628	125,035
Social security and other taxes	32,525	25,019
Accruals	628,392	585,891
Deferred income	222,826	306,556
Amounts due to group companies	-	-
	<u>980,371</u>	<u>1,042,501</u>

	2024	2023
	£	£
Deferred income at 1 August	306,556	114,213
Income deferred during the year	222,756	306,485
Amounts released from prior periods	(306,486)	(114,142)
Deferred income at 31 July	<u>222,826</u>	<u>306,556</u>

Deferred income consists of amounts received for future shows which have not taken place at year end, and for delivery of services which have not been completed at year end.

**13. Creditors amounts falling due after one year**

	2024	2023
	£	£
Amounts due to group companies	<u>2,100,209</u>	<u>2,033,955</u>
	<u>2,100,209</u>	<u>2,033,955</u>

The Theatre has received a loan from the University of up to £2.5m. This loan is repayable (in part or full) 18 months following a demand from the University. No interest is charged on this loan.



**UNIVERSITY OF DERBY THEATRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024**

**14. Statement of funds – current year**

	Balance at 1 Aug 2023 £	Income £	Expenditure £	Transfers in/(out) £	Revaluation in year £	Balance at 31 Jul 2024 £
<b>Unrestricted funds</b>						
General Funds	(99,901)	2,744,580	(2,924,294)	78,487		(201,128)
Arts Council – NPO grant	-	809,628	(809,628)	-	-	-
University of Derby grant	-	550,000	(550,000)	-	-	-
	(99,901)	4,104,208	(4,283,922)	78,487	-	(201,128)
<b>Designated funds</b>						
Designated fund	414,355	-	(22,819)	(96,934)	-	294,602
<b>Revaluation reserve</b>						
Revaluation reserve	3,626,897	-	-	(47,103)	(32,372)	3,547,422
<b>Total unrestricted funds</b>	3,941,351	4,104,208	(4,306,741)	(65,550)	(32,372)	3,640,896
<b>Restricted funds</b>						
Arts Council - Derby CAN	489,872	-	(555,422)	65,550	-	-
Arts Council - YPPF	-	-	-	-	-	-
Arts Council – Place Partnership	629,256	54,355	(271,295)	-	-	412,316
Esmee Fairburn	-	-	-	-	-	-
Esmee Fairburn 23-25	143,848	64,170	(125,010)	-	-	83,008
Plus One	11,435	-	(7,681)	-	-	3,754
Big House	-	-	-	-	-	-
Paul Hamlyn Speak Out	165,000	-	(61,146)	-	-	103,854
Lottery Community Fund	462,942	-	(94,171)	-	-	368,771
DCEP Might Creatives	-	-	-	-	-	-
Jerwood Foundation	31,875	-	-	-	-	31,875
New Horizons	-	39	-	-	-	39
	1,934,228	118,564	(1,114,725)	65,550	-	1,003,617
<b>Total of funds</b>	5,875,579	4,222,772	(5,421,466)	-	(32,372)	4,644,513

**UNIVERSITY OF DERBY THEATRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024**

**Statement of funds – prior year**

	<b>Restated Balance at 1 Aug 2022</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers in/(out)</b>	<b>Revaluation in year</b>	<b>Balance at 31 Jul 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>						
General Funds	147,121	2,211,546	(2,560,075)	101,507	-	(99,901)
Arts Council – NPO grant	-	795,738	(795,738)	-	-	-
University of Derby grant	-	550,000	(550,000)	-	-	-
Derby City Council grant	-	-	-	-	-	-
Culture Recovery Fund 3	-	-	-	-	-	-
	147,121	3,557,284	(3,905,813)	101,507	-	(99,901)
<b>Designated funds</b>						
Designated fund	573,674	-	(97,292)	(62,027)	-	414,355
<b>Revaluation Reserve</b>						
Revaluation reserve	3,566,739	-	-	(43,958)	104,116	3,626,897
<b>Total unrestricted funds</b>	<b>4,287,534</b>	<b>3,557,284</b>	<b>(4,003,105)</b>	<b>(4,478)</b>	<b>104,116</b>	<b>3,941,351</b>
<b>Restricted funds</b>						
Arts Council - Derby CAN	893,108	2,400	(405,636)	-	-	489,872
Arts Council – YPPF	290,700	-	(307,791)	17,091	-	-
Arts Council – Place Partnership	-	631,500	(2,244)	-	-	629,256
Esmee Fairburn	19,447	-	(19,447)	-	-	-
Esmee Fairburn 23-25	-	176,000	(32,152)	-	-	143,848
Plus One	8,139	6,422	(3,126)	-	-	11,435
Big House	-	3,154	(7,541)	4,387	-	-
Paul Hamlyn Speak Out	-	165,000	-	-	-	165,000
Lottery Community Fund	-	462,942	-	-	-	462,942
DCEP Might Creatives	-	10,000	(10,000)	-	-	-
Jerwood Foundation	-	60,000	(28,125)	-	-	31,875
Culture Recovery Fund 3	17,000	-	-	(17,000)	-	-
	1,228,394	1,517,418	(816,062)	4,478	-	1,934,228
<b>Total of funds</b>	<b>5,515,928</b>	<b>5,074,702</b>	<b>(4,819,167)</b>	<b>-</b>	<b>104,116</b>	<b>5,875,579</b>

**Description of funds**

**Derby CAN**

Restricted funding received for the Derby CAN (Derby Creative Arts Network) project in which organisations come together to create theatre and live events in partnership with people who live in Derby and the surrounding areas.

**YPPF (Reimagine)**

Restricted funding received for the Young People’s Performance project which has developed five Reimagine hubs to provide opportunities for Derby youth to be involved in Theatre.

**Arts Council Place Partnership**

Restricted funding to support a unique partnership project working with leading cultural organisations across the city. It provides young people the opportunity to participate in exciting and high-quality arts and cultural activities in their communities.

**Esmee Fairburn**

Restricted funding to support the Theatre’s ongoing work with care-experienced young people.

**Esmee Fairburn 23-25**

Restricted funding to continue to build upon the Theatre’s ongoing work with care-experienced young people.

**UNIVERSITY OF DERBY THEATRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024**

**Plus One**

Restricted funding from public donations following a campaign by local cultural providers to give free opportunities for looked after young people, care leavers and their families to take part in cultural events and a range of creative workshops and projects.

**Big House**

Restricted funding received for the Big House project which helped creative and digital businesses to grow across the Nottingham and Derbyshire areas. The project was part-funded by the EU and is delivered through a partnership of business support organisations.

**Paul Hamlyn Speak Out**

Restricted funding received from Paul Hamlyn's Teacher Development Fund to support the needs of pupils experiencing inequity and embedding learning through the arts in the curriculum through teacher professional development.

**Lottery Community Fund**

Restricted funding received to support the 'Working with our Communities' project, which aims to engage and develop the skills of people of Normanton and Bramblebrook and build community cohesion through an engaged programme of arts activity co-created with them.

**DCEP Mighty Creatives**

Restricted funding received to support development of a sustainable, strategic response to flourish post-March 2023.

**Jerwood Foundation**

Restricted funding to support early-career producers across 2 years to develop their professional practice in a meaningful and practical way.

**Culture Recovery Fund 2&3**

Restricted funding received from Arts Council England to ensure that the Theatre remains sustainable in the long term via the rebuilding of reserves following the COVID-19 pandemic and closure of the Theatre.

**Designated Fund**

This designated fund has been established from Culture Recovery funding (grants 2 and 3) received from Arts Council England. Both grants had some elements that were ringfenced for specific purposes, and that portion of the funding has been recorded as restricted. The remainder of each grant was given to establish a designated fund supporting the sustainability of the Theatre over the longer term.

**Revaluation Reserve**

This reserve is created following the revaluation of the fixed asset property portfolio. The reserve is amortised over the lease of the property resulting in a transfer between revaluation reserve and unrestricted reserves.

**UNIVERSITY OF DERBY THEATRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024**

**15. Analysis of net assets between funds – current year**

	Unrestricted funds 2024 £	Designated funds 2024 £	Restricted funds 2024 £	Revaluation reserve 2024 £	Total funds 2024 £
Tangible fixed assets	1,316,848	-	-	3,547,422	4,864,270
Current assets	1,562,604	294,602	1,003,617	-	2,860,823
Creditors due within one year	(980,371)	-	-	-	(980,371)
Creditors due over one year	(2,100,209)	-	-	-	(2,100,209)
Total	(201,128)	294,602	1,003,617	3,547,422	4,644,513

**Analysis of net assets between funds – prior year**

	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Revaluation reserve 2023 £	Total funds 2023 £
Tangible fixed assets	1,343,744	-	-	3,626,897	4,970,641
Current assets	1,632,811	414,355	1,934,228	-	3,981,394
Creditors due within one year	(1,042,501)	-	-	-	(1,042,501)
Creditors due over one year	(2,033,955)	-	-	-	(2,033,955)
Total	(99,901)	414,355	1,934,228	3,626,897	5,875,579

**16. Operating lease commitments**

At 31 July 2024, the theatre had commitments to make future minimum lease payments under non-cancellable operating leases for leased properties as follows:

	2024 £	2023 £
<b>Amounts payable:</b>		
Not later than 1 year	57,394	41,042
Later than 1 year and not later than 5 years	182,745	110,000
Later than 5 years	-	-
	<u>240,139</u>	<u>151,042</u>

**17. Company status**

The charitable company is a company limited by guarantee. At the year end, there were eight Trustees, each of whom, under the terms of the Memorandum and Articles of Association, has undertaken to contribute a maximum of £1 in the event of a winding up of the charitable company.

**UNIVERSITY OF DERBY THEATRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024**

**18. Related party transactions**

During the year, the charitable company transacted with its parent, University of Derby and fellow subsidiary, In Good Company Limited as follows:

	<b>Income Received 2024 £</b>	<b>Expenditure incurred 2024 £</b>	<b>Balance at 31 July 24 £</b>
University of Derby	892,425	138,665	(2,100,209)
In Good Company Limited	-	44,500	47,060

	<b>Income Received 2023 £</b>	<b>Expenditure Incurred 2023 £</b>	<b>Balance at 31 July 23 £</b>
University of Derby	887,477	110,002	(2,033,955)
In Good Company Limited	-	32,500	3,138

The charitable company has, or had, representation on the management boards of the following organisations:

	<b>Income received by Derby Theatre 2024 (£)</b>	<b>Expenditure incurred by Derby Theatre 2024 (£)</b>	<b>Balance receivable / (payable) at 31 July 2024 (£)</b>
Anthony Gell School	388	-	-
Derby Museums	-	5,376	238
Derby QUAD Ltd	-	27,635	-
Milk Presents Ltd	-	11,277	-
Maison Foo	-	300	-

	<b>Income received by Derby Theatre 2023 (£)</b>	<b>Expenditure incurred by Derby Theatre 2023 (£)</b>	<b>Balance receivable / (payable) at 31 July 2023 (£)</b>
Derby Museums	-	976	(144)
Derby QUAD Ltd	-	1,284	-
Artcore	-	29,800	-
Milk Presents Ltd	-	837	-
Maison Foo	-	1,439	-
Derby Book Festival	753	-	682

**19. Ultimate parent undertaking**

The charitable company's ultimate controlling party is the University of Derby. Copies of the ultimate parent company's consolidated accounts can be obtained from the Secretary at Kedleston Road, Derby DE22 1GB.