

UNIVERSITY OF DERBY THEATRE LIMITED

(A company limited by guarantee)

Trustees' Annual Report and Financial Statements

For the year ended 31 July 2025

**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 2025

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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 2025

REGISTERED IN ENGLAND AND WALES No. 06858792

CHARITABLE STATUS

The Company is a registered charity.

DIRECTORS AND MEMBERS

Professor Kathryn Mitchell
Margaret Buddle
Professor Keith McLay
Susan Ambler
Elizabeth Nelson
Mahad Ali (appointed 1 December 2024)
Marcus Marsh (appointed 1 December 2024)
Kavalneer Walia (appointed 1 December 2024)
Marianne Neville-Rolfe (appointed 9 September 2025)
Jill Adamson (resigned 3 February 2025)
Michael Pinchbeck (resigned 13 March 2025)

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 2025. 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 2025, 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
Margaret Buddle
Professor Keith McLay
Susan Ambler
Elizabeth Nelson
Mahad Ali (appointed 1 December 2024)
Marcus Marsh (appointed 1 December 2024)
Kavalneer Walia (appointed 1 December 2024)
Marianne Neville-Rolfe (appointed 9 September 2025)
Richard Gerver (resigned 1 July 2024)
Jill Adamson (resigned 3 February 2025)
Michael Pinchbeck (resigned 13 March 2025)

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 2025 and up to the date of the approval of the financial statements. The Trustees

UNIVERSITY OF DERBY THEATRE LIMITED TRUSTEES' ANNUAL REPORT

Structure, Management and Governance (continued)

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 financial statements 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 2025 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 2025 is set out on page 15.

UNIVERSITY OF DERBY THEATRE LIMITED

TRUSTEES' ANNUAL REPORT

Financial Review (continued)

The total income of the charitable company during the year was £5,327,203 (2024: £4,222,772) including grant funding of £550,000 (2024: £550,000) and £326,004 (2024: £326,004) rental income from the University of Derby. This was applied to total expenditure in the year of £5,375,818 (2024: £5,421,466).

Unrestricted funds fell modestly in the year by £366,203 (2024: £300,455). There was an inflow of restricted funds of £157,628 (2024: outflow of restricted funds of £930,611), as several new projects have been won. The Theatre also utilised £129,221 of its designated reserve (2024: £119,753) 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

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 March 2027, the end of the current tranche of confirmed ACE funding. This has enabled management to prepare a going concern forecast to March 2027, 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 ACE and the University of Derby. The Theatre is 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. The University has provided grant funding of £550,000 during the current year and has indicated its willingness to continue to provide consistent funding for 2025/26 and beyond via the approval by its Governing Council of its five-year financial plan.

Additionally, the Theatre has a cash balance that the Trustees feel mitigates the current unrestricted reserve position and gives a measure of safety while reserves are built up. While the Theatre has an agreed intercompany loan facility with the University, which at July 25 had over £400k headroom, cash forecasts do not indicate this headroom will be required.

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 continue to adopt the going concern basis in preparing the annual financial statements.

As noted above, 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: At last year end, the Group required a waiver from its lenders in respect of a forecast breach of its Debt Service covenant at 31 July 2025. Those waivers were obtained, and the Group has continued to operate within the terms of its financing arrangements. During the year, the Group's DSRL subsidiary repaid its loan, and following implementation of the University's transformation plan and agreement amendments with the remaining lenders, the Group considers there to be adequate headroom from the Debt Service covenant throughout the going concern period, and therefore a waiver for July 2026 is not required. In line with last year's position, all other covenants are forecast to be met with substantial headroom.

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.

UNIVERSITY OF DERBY THEATRE LIMITED

TRUSTEES' ANNUAL REPORT

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 £4,435,938 (2024: £4,644,513) 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 an unrestricted general reserves deficit position of £231,473 (2024: deficit position of £201,128). The Trustees are aware that this still falls short of the desired position but are understanding of the reasons for this position including the rising cost environment, particularly around costs of employment. In the current economic climate, the Board recognises that whilst building reserves remains a key aim, returning a surplus in each financial year is challenging. The Board plans to continue to leverage the designated reserve fund to continue to develop audiences and improve returns in the meantime, although acknowledges this fund will likely be fully expended over the next couple of years.

The Trustees have therefore carefully considered the Theatre's financial position and note the Theatre has a designated reserve of £165,381 (2024: £294,602), which has been established for the specific purpose of building the future sustainability of the Theatre. It is anticipated approximately £62,000 will be used in 25/26. In 2025, £129,221 (2024: £119,753) 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 £3,340,785 (2024: £3,547,422) which will only be realised upon the 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 £1,161,245 (2024: £1,003,617) 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 and opportunities for growth are exploited. Over the longer term, the Levelling Up project to enhance studio space and the Theatre frontage, helping to increase audience members and secondary spend within the Theatre.
Delivery of Levelling Up Funding grant	Regular monitoring of options and timetable to ensure funds are expended in line within the new deadline of March 2028.
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.

UNIVERSITY OF DERBY THEATRE LIMITED

TRUSTEES' ANNUAL REPORT

Achievements and performance

The Theatre has had a successful artistic year, continuing to produce, co-produce and co-create high quality and ambitious productions.

Our productions this year in the theatre and studio were:

- In October 2024, in the theatre we presented *Welfare*. A new play by Abi Zakarian, directed by Sarah Bringham and featuring Derwent Brass and a professional and community company telling the story of Derbyshire Miners' Holiday Camp. Audiences were slightly lower than hoped with 5,641 attendances, 59% of capacity.
- A Dickensian Christmas was brought to life in the theatre, with Mike Kenny's adaptation of *A Christmas Carol*, directed by Bryn Holding. An ambitious 60 performance run, 24,125 people saw the show; 65% of capacity and the second largest audience in the company's history.
- Meanwhile, in the studio Sarah Bringham directed the delightful farmyard antics of *Chicken Licken* entertained younger audiences and their families. With audio description, creative captions and BSL integrated into the performance, an audience of 3,341 so this most accessible of children's works, representing 81% of seats sold.
- In the new year, Sarah Bringham directed our latest co-production, John Steinbeck's *Of Mice and Men*. Opening in Derby and going on to tour to co-producers Bolton Octagon, Hull Truck and Theatre by the Lake, Keswick. Seen by 7,426 (51% of capacity) in Derby and 22,681 (60%) in total across the tour.
- In June, we presented our production of Amanda Whittington's *Kiss Me Quickstep* in the theatre, with 2,613 attendances, 35% of capacity. Despite enormous effort invested by company and staff, this key production did not meet ticket sales expectations..

The financial year 2024/25 presented a number of challenges. Costs continued to increase, while household spending on leisure and entertainment spend was depressed, further suppressing our ability to raise income and grow. While Derby Theatre continues to be an Arts Council England National Portfolio Organisation, in real-terms the spending power of this funding has decreased by over £160,000, or 20%, since 2018. This is the real-world impact of stand-still funding against a background of high inflation.

Following a universal offer of extension by ACE and our successful application to extend, NPO funding will now be in place until March 2027 although we do not yet know the value that will be awarded to Derby Theatre. It has been confirmed that the

National Portfolio period will be further extended to March 2028, with an application process to be advised later. Although there was a welcome 1.61% increase to NPO funding in April 2025, this extension signals, at best, that this funding stream will stand still for at least another three years.

Other costs challenges for the theatre have included the ongoing above inflation national living wage increases – since its introduction in 2016, entry level salaries have risen by 70% with almost a third of this increase in April 2024 and April 2025 combined. We welcome this societal change but must recognise the impact this accelerating cost is having on our ability to fully recoup expenditure. National living wage increases also bring pressure to pay costs further up the pay ladder, as the range of roles affected expands over time. As part of our mission to fairly compensate employees, Derby Theatre completed a workforce wide job evaluation which was implemented in April 2024.

In April 2025, changes to Employers National Insurance contributions added a significant annual burden to our operating costs.

Against this background, we continued to work on large scale collaborative partnerships with local and national significance including: Plus One (funded by the Esmée Fairbairn Foundation) and CANVAS (an Arts Council England funded Place Partnership programme). Derby Theatre's many projects operate with and for our local community.

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, 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.

UNIVERSITY OF DERBY THEATRE LIMITED

TRUSTEES' ANNUAL REPORT

Achievements and performance (continued)

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, however over 43,000 people attended across 170 performances

A variety of new, challenging and interesting works were presented in the studio. Not including the Christmas production, overall 2,078 tickets were sold for 60 studio performances, 43% of available capacity.

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. We concluded a joint project, funded by the Jerwood Developing Artists Fund, supporting a second 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 2025 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 Deaf young people. Eight of these groups performed a fully designed and produced show in the main house or studio. Approximately 200 participants attended throughout the year.
- Working with 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.
- In partnership with Maison Foo we hosted Meet Your Neighbour events. Our celebration of dance saw six local people take part in a curtain raiser performance on the main stage.
- We have delivered the second year of our Place Partnership Programme, and in agreement with ACE extended this activity into FY25-26. This programme is delivered and steered by DCEP and project managed by Derby Theatre. Community hub locations are established and delivering in areas of high deprivation and we have built further links into underrepresented groups e.g. a dedicated hub for the Roma community.
- 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.
- Speak Out, a project that is part of the Paul Hamlyn Teacher Development Fund, working with six primary schools and co-managing with a teacher in one secondary school in the Catholic Multi Academy Trust. 12 teachers are being supported by six artists to develop their drama skills in order to support the oracy skills of children with English as an additional language.

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 deliver 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.

The final performance of the Connect Up project was presented in the studio in October. Firewall, produced with the Philippine Education Theatre Association, was a new play written by Ryan Leder in conversation with year 9 students from Derby Cathedral School and university students in the Philippines. After touring local schools and a performance in Derby Theatre studio, the show toured to a theatre festival in Vienna.

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.

UNIVERSITY OF DERBY THEATRE LIMITED

TRUSTEES' ANNUAL REPORT

Achievements and performance (continued)

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. A grant from the Theatres Trust and Wolfson Foundation Theatre improvement scheme will enable upgrades to lighting in front of house and public areas. Funding from The Toyota Manufacturing UK Charitable Trust enabled us to expand our work supporting people living with Dementia, taking a performance into 6 care homes in Derby.

Future Plans

Derby Theatre will continue 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.

The senior management have developed a five-year business strategy, with the intention that this will be adopted by the Board in 2025. Under this strategy, 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 2025/26 financial year we will present new productions of The Great Gatsby with Pitlochry Festival Theatre, Oliver Twist, Tortoise and the Hair with Hiccup Theatre and Polka Theatre, Macbeth with Hull Truck and Bolton Octagon. In summer 2026, we will produce Little Shop of Horrors with new producing partner Theatre North.

Work to develop the Levelling Up Fund project which intends to see a new studio performance space for the City is ongoing. This investment should increase the number of seats available for studio or smaller scale performance, 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. During 2025/26 final plans for use of the funding are hoped to be agreed, following the need to review alternative options. Construction is hoped to start late 2026 and complete late 2027, following an extension to the grant period to 31 March 2028.

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.

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.

UNIVERSITY OF DERBY THEATRE LIMITED TRUSTEES' ANNUAL REPORT

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

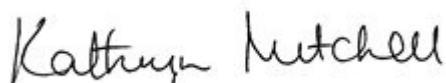
The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the charitable company's auditor is unaware; and each Trustee has taken all the steps that ought to have been taken as a Trustee to 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 08 December 2025 and signed on their behalf by:

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

Professor Kathryn Mitchell
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES 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 2025 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 2025 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 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES 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' Annual 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' Annual 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' Annual 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 determines 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 TRUSTEES 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 tested 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 transactions reflected in the financial statements, the less likely we are to become aware of it.

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

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 and trustees 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, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
James Taylor
DE267022FBEE4A7...
James Taylor (Senior Statutory Auditor)

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

Date: 12 December 2025

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 2025

		Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
		2025	2025	2025	2024	2024	2024
	Note	£	£	£	£	£	£
Income							
Donations and legacies	2	1,474,961	809,847	2,284,808	1,506,074	118,564	1,624,638
Charitable activities	3	2,688,174	-	2,688,174	2,239,333	-	2,239,333
Other trading activities	4	306,249	-	306,249	262,198	-	262,198
Investment income	5	47,972	-	47,972	96,603	-	96,603
Total income		4,517,356	809,847	5,327,203	4,104,208	118,564	4,222,772
Expenditure							
Raising funds	6	(556,065)	-	(556,065)	(474,723)	-	(474,723)
Charitable activities	6	(4,167,534)	(652,219)	(4,819,753)	(3,832,018)	(1,114,725)	(4,946,743)
Total expenditure		(4,723,599)	(652,219)	(5,375,818)	(4,306,741)	(1,114,725)	(5,421,466)
Net (expenditure)/income before transfers and revaluation		(206,243)	157,628	(48,615)	(202,533)	(996,161)	(1,198,694)
Transfer between funds	14	-	-	-	(65,550)	65,550	-
Revaluation in year	14	(159,960)	-	(159,960)	(32,372)	-	(32,372)
Net (expenditure) / income and net movement in funds for the year		(366,203)	157,628	(208,575)	(300,455)	(930,611)	(1,231,066)
Reconciliation of funds							
Total funds brought forward		3,640,896	1,003,617	4,644,513	3,941,351	1,934,228	5,875,579
Net movement in funds		(366,203)	157,628	(208,575)	(300,455)	(930,611)	(1,231,066)
Total funds carried forward		3,274,693	1,161,245	4,435,938	3,640,896	1,003,617	4,644,513

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.

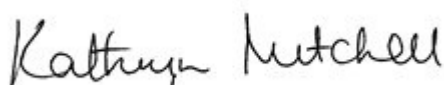
Notes to the financial statements are shown on pages 18 – 30.

BALANCE SHEET AS AT 31 JULY 2025

COMPANY NUMBER 06858792

	Note	2025 £	2024 £
Fixed assets			
Tangible fixed assets	10	5,026,756	4,864,270
Current assets			
Stocks		11,318	8,768
Debtors	11	1,594,348	1,650,331
Cash at bank		857,706	1,201,724
		2,463,372	2,860,823
Creditors: amounts falling due within one year	12	(973,886)	(980,371)
Net current assets		1,489,486	1,880,452
Total assets less current liabilities		6,516,242	6,744,722
Creditors: amounts falling due after more than one year	13	(2,080,304)	(2,100,209)
Net assets		4,435,938	4,644,513
Funds:			
Unrestricted funds	14	(231,473)	(201,128)
Designated funds	14	165,381	294,602
Revaluation reserve	14	3,340,785	3,547,422
Total unrestricted funds		3,274,693	3,640,896
Restricted funds	14	1,161,245	1,003,617
Total funds		4,435,938	4,644,513

The Financial Statements on pages 16 – 30 were approved by the board of Trustees on 8 December 2025 and were signed on its behalf by:



Professor Kathryn Mitchell
Chair of Trustees

UNIVERSITY OF DERBY THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

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 March 2027, the end of the current tranche of confirmed ACE funding. This has enabled management to prepare a going concern forecast to March 2027, 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 ACE and the University of Derby. The Theatre is 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. The University has provided grant funding of £550,000 during the current year and has indicated its willingness to continue to provide consistent funding for 2025/26 and beyond via the approval by its Governing Council of its five-year financial plan.

Additionally, the Theatre has a cash balance that the Trustees feel mitigates the current unrestricted reserve position and gives a measure of safety while reserves are built up. While the Theatre has an agreed intercompany loan facility with the University, which at July 25 had over £400k headroom, cash forecasts do not indicate this headroom will be required.

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.

As noted above, 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: At last year end, the Group required a waiver from its lenders in respect of a forecast breach of its Debt Service covenant at 31 July 2025. Those waivers were obtained, and the Group has continued to operate within the terms of its financing arrangements. During the year, the Group's DSRL subsidiary repaid its loan, and following implementation of the University's transformation plan and agreement amendments with the remaining lenders, the Group considers there to be adequate headroom from the Debt Service covenant throughout the going concern period, and therefore a waiver for July 2026 is not required. In line with last year's position, all other covenants are forecast to be met with substantial headroom.

UNIVERSITY OF DERBY THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

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.

UNIVERSITY OF DERBY THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

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 Newmark LLP, with a full valuation being carried out at 31 July 2025.

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 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, Newmark 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 2025

2. Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Donations	28,375	27,569	55,944	41,572
Grants	1,446,586	782,278	2,228,864	1,583,066
Total	1,474,961	809,847	2,284,808	1,624,638

Restricted funds of £118,564 and unrestricted funds of £1,506,074 were received in 2024.

3. Income from charitable activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Theatre activities	1,905,814	1,905,814	1,498,916
Rental income	326,004	326,004	326,004
Other income	2,900	2,900	7,527
Theatre tax credit	453,456	453,456	406,886
Total	2,688,174	2,688,174	2,239,333

Restricted funds of £nil and unrestricted funds of 2,239,333 were received in 2024.

4. Income from other trading activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Catering	306,249	306,249	262,198
Total	306,249	306,249	262,198

Restricted funds of £nil and unrestricted funds of £262,198 were received in 2024.

5. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Interest receivable	47,972	47,972	96,603
Total	47,972	47,972	96,603

Restricted funds of £nil and unrestricted funds of £96,603 were received in 2024.

UNIVERSITY OF DERBY THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

6. Expenditure by activity

	Direct costs 2025	Support costs 2025	Total costs 2025	Direct costs 2024	Support costs 2024	Total costs 2024
	£	£	£	£	£	£
Cost of raising funds						
Donations and fundraising	74,396	40,082	114,478	71,146	35,204	106,350
Other trading	286,974	154,613	441,587	246,434	121,939	368,373
	361,370	194,695	556,065	317,580	157,143	474,723
Cost of charitable activities						
Theatre activities	2,481,058	1,336,716	3,817,774	2,320,707	1,148,320	3,469,027
Creative learning	49,787	26,824	76,611	50,988	25,230	76,218
Funded Projects	601,369	323,999	925,368	937,573	463,925	1,401,498
	3,132,214	1,687,539	4,819,753	3,309,268	1,637,475	4,946,743
Total expenditure	3,493,584	1,882,234	5,375,818	3,626,848	1,794,618	5,421,466

7. Support costs by activity – current year

	Raising funds 2025	Theatre activities 2025	Creative learning 2025	Funded projects 2025	Total costs 2025
	£	£	£	£	£
Support cost allocation					
Premises costs	66,574	457,074	9,172	110,788	643,608
Management and staff costs	106,711	732,644	14,702	177,581	1,031,638
Legal, professional and finance costs	4,489	30,820	618	7,470	43,397
Audit and taxation	4,591	31,523	633	7,641	44,388
Office costs	12,330	84,655	1,699	20,519	119,203
Total support costs	194,695	1,336,716	26,824	323,999	1,882,234

Support costs by activity – prior year

	Raising funds 2024	Theatre activities 2024	Creative learning 2024	Funded projects 2024	Total costs 2024
	£	£	£	£	£
Support cost allocation					
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
Total support costs	157,143	1,148,320	25,230	463,925	1,794,618

No governance costs were incurred by the Theatre (2024: £nil).

8. Net movement in funds for the year

	2025	2024
	£	£
Net movement in funds for the year is stated after charging:		
Auditor's remuneration - as auditors	24,250	23,400
Auditor's remuneration - non audit services	-	-
Depreciation on tangible fixed assets	165,521	170,031

UNIVERSITY OF DERBY THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

9. Staff costs

	2025	2024
	£	£
Wages and salaries	2,106,555	1,879,542
Social security costs	139,720	107,693
Pension costs	71,055	68,731
	<u>2,317,330</u>	<u>2,055,966</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 £71,055 (2024: £68,731). Contributions amounting to £19,149 (2024: £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:

	2025	2024
	No.	No.
Employees	112	108

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

	2025	2024
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	1

These 3 employees received employers' pension contributions in year of £10,023 (2024: £9,710).

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 £235,700 (2024: £226,950).

No Trustee received remuneration from the charitable company during the year. Expenses of £nil (2024: £nil) were paid in the year. The company paid £nil (2024: £nil) during the year in respect of Directors and Officers liability insurance.

10. Tangible fixed assets

	Leasehold buildings	Plant and equipment	Total
Cost or valuation	£	£	£
On 1 August 2024	4,411,000	1,282,163	5,693,163
Additions	-	487,967	487,967
Revaluation	(218,000)	-	(218,000)
On 31 July 2025	<u>4,193,000</u>	<u>1,770,130</u>	<u>5,963,130</u>
Depreciation			
On 1 August 2024	-	(828,893)	(828,893)
Charge for the year	(58,040)	(107,481)	(165,521)
Revaluation	58,040	-	58,040
On 31 July 2025	<u>-</u>	<u>(936,374)</u>	<u>(936,374)</u>
Net book value			
On 31 July 2025	<u>4,193,000</u>	<u>833,756</u>	<u>5,026,756</u>
On 1 August 2024	<u>4,411,000</u>	<u>453,270</u>	<u>4,864,270</u>

UNIVERSITY OF DERBY THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

10. Tangible fixed assets (continued)

In accordance with FRS102, a valuation of the leasehold building was performed independently by Newmark LLP, Chartered Surveyors, as of 31 July 2025. 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:

	2025	2024
	£	£
Historic cost	1,011,677	1,011,677
Depreciation	(165,266)	(153,980)
Net book value	<u>846,411</u>	<u>857,697</u>

11. Debtors

	2025	2024
	£	£
Trade debtors	273,421	19,737
Amounts owed by group companies	32,493	47,060
Other debtors	92,775	25,809
Prepayments and accrued income	<u>1,195,659</u>	<u>1,557,725</u>
	<u>1,594,348</u>	<u>1,650,331</u>

12. Creditors amounts falling due within one year

	2025	2024
	£	£
Trade creditors	117,893	96,628
Social security and other taxes	34,326	32,525
Accruals	551,146	628,392
Deferred income	<u>270,521</u>	<u>222,826</u>
	<u>973,886</u>	<u>1,042,501</u>

	2025	2024
	£	£
Deferred income at 1 August	222,826	306,556
Income deferred during the year	271,458	222,756
Amounts released from prior periods	<u>(223,763)</u>	<u>(306,486)</u>
Deferred income at 31 July	<u>270,521</u>	<u>222,826</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

	2025	2024
	£	£
Amounts due to group companies	<u>2,080,304</u>	<u>2,100,209</u>
	<u>2,080,304</u>	<u>2,100,209</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 2025

14. Statement of funds – current year

	Balance at 31 Jul 2024 £	Income £	Expenditure £	Transfers in/(out) £	Revaluation in year £	Balance at 31 Jul 2025 £
Unrestricted funds						
General Funds	(201,128)	3,153,383	(3,359,626)	175,898		(231,473)
Arts Council – NPO grant	-	813,973	(813,973)	-	-	-
University of Derby grant	-	550,000	(550,000)	-	-	-
	(201,128)	4,517,356	(4,723,599)	175,898	-	(231,473)
Designated funds						
Designated fund	294,602	-	-	(129,221)	-	165,381
Revaluation reserve						
Revaluation reserve	3,547,422	-	-	(46,677)	(159,960)	3,340,785
Total unrestricted funds	3,640,896	4,517,356	(4,723,599)	-	(159,960)	3,274,693
Restricted funds						
Arts Council – Place Partnership	412,316	68,078	(291,239)	-	-	189,155
Esmee Fairburn 23-25	83,008	13,055	(96,063)	-	-	-
Paul Hamlyn Speak Out	103,854	-	(85,355)	-	-	18,499
Lottery Community Fund	368,771	1,541	(151,961)	-	-	218,351
Jerwood Foundation	31,875	-	(21,083)	-	-	10,792
Plus One	3,754	790	(370)	-	-	4,174
New Horizons	39	-	-	-	-	39
Acts of Kindness	-	26,779	(6,148)	-	-	20,631
Derbyshire Foundation	-	30,000	-	-	-	30,000
Bramblebrook						
Levelling Up Fund Grant	-	652,167		-	-	652,167
Theatres Trust The	-	17,437	-	-	-	17,437
Wolfson Foundation						
	1,003,617	809,847	(652,219)	-	-	1,161,245
Total of funds	4,644,513	5,327,203	(5,375,818)	-	(159,960)	4,435,938

UNIVERSITY OF DERBY THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

Statement of funds – prior year

	Balance at 1 Aug 2023 £	Income £	Expenditure £	Transfers in/(out) £	Revaluation in year £	Balance at 31 Jul 2024 £
Unrestricted funds						
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)
Designated funds						
Designated fund	414,355	-	(22,819)	(96,934)	-	294,602
Revaluation reserve						
Revaluation reserve	3,626,897	-	-	(47,103)	(32,372)	3,547,422
Total unrestricted funds	3,941,351	4,104,208	(4,306,741)	(65,550)	(32,372)	3,640,896
Restricted funds						
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
Total of funds	5,875,579	4,222,772	(5,421,466)	-	(32,372)	4,644,513

Description of funds

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 23-25

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

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.

UNIVERSITY OF DERBY THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

Jerwood Foundation

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

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.

New Horizons

Restricted funding arising from donations received to support a project to build a new purpose-built studio and make major improvements to the city's beloved venue.

Acts of Kindness

Restricted funding arising from donations received to fund tickets for those in need who would otherwise be unable to access trips to the Theatre.

Derbyshire Foundation Bramblebrook

Restricted funding from Foundation Derbyshire to deliver a weekly Performing Arts Club

Levelling Up Fund Grant

Restricted capital funding from the Ministry of Housing, Communities and Local Government as part of the Levelling Up initiative to increase the performance, community, participation and learning spaces at the Theatre.

Theatres Trust The Wolfson Foundation

Restricted funding received to install domestic LED fittings and movement sensors.

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.

Esmee Fairburn

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

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.

DCEP Mighty Creatives

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

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 2025

15. Analysis of net assets between funds – current year

	Unrestricted funds 2025 £	Designated funds 2025 £	Restricted funds 2025 £	Revaluation reserve 2025 £	Total funds 2025 £
Tangible fixed assets	1,685,971	-	545,733	3,340,785	5,572,489
Current assets	1,136,746	165,381	615,512	-	1,917,639
Creditors due within one year	(973,886)	-	-	-	(973,886)
Creditors due over one year	(2,080,304)	-	-	-	(2,080,304)
Total	(231,473)	165,381	1,161,245	3,340,785	4,435,938

Analysis of net assets between funds – prior 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

16. Operating lease commitments

At 31 July 2025, the theatre had commitments to make future minimum lease payments under non-cancellable operating leases for leased properties as follows:

	2025 £	2024 £
Amounts payable:		
Not later than 1 year	57,394	57,394
Later than 1 year and not later than 5 years	125,351	182,745
Later than 5 years	-	-
	<u>182,745</u>	<u>240,139</u>

17. Capital Commitments

	2025 £	2024 £
Authorised and contracted for	13,509	-
Authorised but not contracted for	<u>9,462,311</u>	<u>733</u>
	<u>9,475,820</u>	<u>733</u>

18. 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 2025

19. 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:

	Income Received 2025 £	Expenditure incurred 2025 £	Balance at 31 July 25 £
University of Derby	883,607	116,474	(2,080,304)
In Good Company Limited	226	23,879	32,493
	Income Received 2024 £	Expenditure incurred 2024 £	Balance at 31 July 24 £
University of Derby	892,425	138,665	(2,100,209)
In Good Company Limited	-	44,500	47,060

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

	Income received by Derby Theatre 2025 (£)	Expenditure incurred by Derby Theatre 2025 (£)	Balance receivable / (payable) at 31 July 2025 (£)
Derby Museums	-	4,428	(834)
Maison Foo	-	9,555	-
Rafia Hussain Productions	-	5,000	(5,000)

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

20. 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.