

Registered number: 08117915
Charity number: 1149979

THE AUDIENCE AGENCY
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

THE AUDIENCE AGENCY
(A Company Limited by Guarantee)

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THE AUDIENCE AGENCY
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 MARCH 2021

Trustees	A Adewunmi L Crompton-Reid T Hornsby (resigned 26 May 2021) C Lawrence (appointed) M Locke, Chair Dr C Michaels S Parker, Vice Chair R Paterson A Rivett (resigned 29 September 2021) R Saphra (appointed 30 September 2021) R Sidhu (resigned 31 July 2020) A Singh (appointed 26 May 2021)
Company registered number	08117915
Charity registered number	1149979
Registered office	The Whitehouse Wilderspool Business Park Greenalls Avenue Stockton Heath Warrington WA4 6HL
Independent auditor	Cooper Parry Group Limited Chartered Accountants Statutory Auditor One Central Boulevard Blythe Valley Business Park Solihull West Midlands B90 8BG
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Solicitors	Primas Law The Whitehouse Wilderspool Business Park Greenalls Avenue Stockton Heath WA4 6HL

THE AUDIENCE AGENCY
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TRUSTEES' REPORT
FOR THE YEAR ENDED 30 MARCH 2021

The Trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ended 30 March 2021. These are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, Companies Act 2006, the Memorandum and Articles of Association and 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 (FRS102 effective 1 January 2019).

Mission, Purpose & Public Benefit

We believe that taking part in cultural activities and having opportunities to exercise our creativity are important to our wellbeing and personal resilience. Equitable access to these opportunities is important in building a fairer society, stronger communities, equitable regeneration and positive civic change. The experience of the pandemic has heightened these issues – making human needs more obvious while opening the gap between those who do and do not benefit from state-supported and commercial culture and creative participation.

Cultural and creative service-providers can achieve more and more equitably through confident insight-driven strategy, people-centred approaches, innovation, co-operation and ethical use of data.

Our purpose is to foster these approaches with our data, insight and knowledge to help:

- reach more people and address equality of access
- offer more relevant creative opportunities
- build more creative places

Values

People First: We seek to be user-centred, to promote audience-centred approaches, and to put our own people first. We support organisations to do more with and for people furthest from opportunity.

Open & Accessible: We seek to be inclusive and respectful of difference in our work with audiences, clients and staff. We prioritise work to enable cultural activity to be more inclusive. We are committed to open data principles.

Connected: Working collaboratively across our network to increase impact and shared learning.

Trustworthy: We aim to be transparent and accurate, to act with confidentiality and strive for robust results. Our commitment to quality is reflected in our charter and processes.

Our Activities & Impacts

We deliver

- Consultancy, audience and community research. This helps organisations, consortia and local agencies to understand and respond to their communities' needs in live and digital settings.
- "Audience Finder", a world-first service sharing audience data from over 700 cultural organisations and making the datasets widely available and practically applicable through analytics and a wrap-around customer service.

We enable organisations to engage larger and more diverse audiences and to improve their impact and resilience. The ultimate objective to widen public access and increase the nation's participation in the arts and other cultural activities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 MARCH 2021

Our activities help organisations and policymakers tackle a wide variety of barriers to the arts and culture - such as the lack of relevance, affordability, user-voice and other factors linked to social inequality. We also support organisations to develop their engagement skills and capacity to connect more effectively - including digital leadership, data informed decision-making, the latest consumer research, action research and user-centred design.

Public Benefit

The Audience Agency helps the cultural sector to increase its relevance and resilience through the delivery of range of services which include:

- Bespoke consultancy and audience and community research, to help organisations, consortia and local agencies to develop their strategies.
- Development and implementation of the world-first "Audience Finder" service; sharing audience data from over 800 cultural organisations and making the data-sets widely available and practically applicable through software, analytics and a wrap-around customer service.

We enable organisations to engage larger and more diverse audiences and improve their impact and resilience with the ultimate objective to widen public access and increase the nation's participation in the arts and other cultural activities.

Our activities help organisations and policy-makers tackle a wide variety of barriers to the arts and culture - such as financial affordability, social inequality and other socio-economic factors.

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on Public Benefit, Charities and Public Benefit.

Beneficiaries of our service

Our work directly supports cultural organisations, agencies and practitioners to engage more effectively with the general public. We also support community organisations with cultural strategy and work with local, national and international policymakers to improve the conditions for engagement. We provided a resource or service to over 1,200 cultural organisations in the period.

We remain committed to being accessible to the widest variety of arts and cultural organisations and developed our business model to enable us to provide to all a regular feed of current audience trends and information, especially in relation to the pandemic. We also used funds to subsidise affordable services to smaller charities and those with limited resources, while still making an impact on the largest cultural institutions in England with the biggest audience reach. We worked with theatres, concert halls, arts centres, performing arts companies, galleries, orchestras, outdoor festivals and site-specific producers, participatory arts, museums, heritage organisations and local authorities.

We continued to develop our work to support those at the forefront of the stand against inequality, those promoting diversity and grassroots community initiatives, and this year working on a specific resource to promote anti-racism in research practice.

Achievements and Performance

The Audience Agency ("TAA") produced a four-year strategy in 2018. The Trustees have reviewed the activities and plans each year to ensure that the charity remains focused on its core purpose and on track to achieve its ambitions.

The 2020/21 Business Plan was presented to the Board in February 2020. Based on client feedback and a situational analysis, we reformulated priorities:

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 MARCH 2021

- To futureproof the Audience Finder platform to enable it to survive a variety of financial scenarios by putting it forefront of relevant technology and at the centre of an international learning alliance.
- To ensure our growing consultancy and research work promotes innovation, user-focus, and positive change, thereby affecting policy and best practice.
- To have made the most of resources and the synergies between our activities, our matrix of people, partnerships and relationships to deliver purpose and impact.

In the event, Covid-19 changed all our initial plans and like every other organisation, we introduced a series of scenario plans which were reviewed and revised regularly. These plans were informed by feedback and conversations with stakeholders and the sector and designed to help organisations survive and then recover. Activities were collectively communicated as *Bounce Forward* and included on point advice and insights derived through original research and disseminated through targeted publishing and events, reaching well over 3,000 practitioners and up to 800 organisations.

Through the year, TAA won funding to undertake and publish a range of research and evidence about the impact of Covid-19 on arts, culture and heritage. We developed a Digital Audiences Survey, a quick and benchmarkable survey that organisations could deploy via their own websites and social media. This enabled those organisations to better understand the motivations, profiles, and habits of their audiences through a period of rapid and potentially destabilising change.

This included the “Cultural Participation Monitor”. Launched in the autumn of 2020, it is a longitudinal, ongoing, survey of changing views about participating in creative and cultural activities through the pandemic and beyond. It was part of a national research programme led by the Centre for Cultural Value in collaboration with the Creative Industries Policy and Evidence Centre and The Audience Agency.

We were then able to bring the sector the insight it needed as the situation changes, in briefings, reports and in the media. We also offered a programme of seminars and resources about managing audience and community-centred change. Free webinars covered topics such as:

- Building and developing online communities
- Understanding digital audiences
- Measuring digital engagement
- Using insight and data effectively for decision making
- User centred approaches
- Evaluation

The demand for events was high and we reached 2,000+ cultural sector participants supporting their recovery planning and business model innovation. Our free webinars and training sessions regularly sold out, and our insight and research was deployed by organisations to help them with their plans.

TAA also continued to develop Audience Finder as the UK’s leading audience insight tool which was (and is) crucial to the recovery and future of the sector. It remained free for all and any user. Back-end developments improve efficiency, stability and speed while changes to the front-end have been designed for practitioners not confident or experienced in using data and statistics, including in-tool prompts giving practical suggestions, natural language ways of presenting insights, and context curated to each user organisation.

We provided an ongoing support service to all users in England, Wales and Scotland, moving all our group and 1-2-1 support online throughout the pandemic period and beyond.

After a brief hiatus in commissioned, paid-for services, demand returned rapidly towards the end of 2020. This work included highly tailored research on audiences, communities, impact and opportunities and specialised advice in the development of effective strategy, as many cultural organisations and creative industries pivoted

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FOR THE YEAR ENDED 30 MARCH 2021

their approach and explored new business models for a post-pandemic world, our services were in high demand by 2021. The income we derived helped us to continue to provide the stream of free insight and support outlined above.

This late boom was a relief after the drastic shortfall in income we experienced in the early part of 2020 caused by the pandemic. Managing the shortfall was in itself a major achievement: we made quick and decisive cuts to our overheads to safeguard jobs and keep the core of the organisation able to function:

- Staff were moved onto short term contracts for a period of 3 months and in some cases longer
- 10% of the workforce were made redundant
- The senior leadership team took a 20% pay cut for a part of the year
- A skeleton staff managed essential workload in the first six months, and we were able to retain the majority of our team thanks to the lifeline of the furlough scheme

We were also fortunate to secure money from the Cultural Recovery Fund (detailed below). All these measures together meant that we emerged from lockdown as a healthy organisation ready to flex around the fluctuating needs of the sector and their communities.

Indeed, the learning from Covid-19, alongside other factors (such as increased competition in the marketplace and a changing sector) prompted the development of an organisational change plan at the end of the year. We developed a four-part charity offer with and for different groups of users:

- Cultural Participation
- Creative Communities and Places
- Evidence and Insight
- Audience Finder Support and Tools

From April 2020, the development of the Audience Finder Platform was moved into the trading subsidiary and became the division of TAAS Ltd through which TAA Group:

- sells software/data services and licenses associated IP to partners
- invests in future versions of its tech platforms
- collaborates with technology and research partners relating to the above.

Financial review

TAA's financial objective is to ensure financial stability and continued solvency year on year to enable it to pursue its aims and objectives. The aim is also to increase its level of free reserves (see reserves policy below).

For the financial period 2020/21, the total income was £2.79m, a 12% decrease over the previous financial year (£3.18m). Expenditure was £2.49m, a 9% decrease over the previous year (£2.74m). TAA produced an end of year surplus of £306,332 which meant that the unrestricted reserves to be carried forward were £1,095,528 (see reserves section below).

The overall performance in the financial year was greatly assisted by a grant of £324k from the Cultural Recovery Fund, £192k from the Coronavirus Job Retention Scheme and the staff actions described above. Although our consultancy and research services performed better than had been initially projected at the start of 2020/21, the percentage of earned income was 41%, down from 63% in 2019/20.

During 2020/21, we continued to invest in the development of the Audience Finder platform. This investment has been recognised in the accounts of the charity as a Programme Related Investment, reflecting the importance of the platform as a longer-term asset.

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FOR THE YEAR ENDED 30 MARCH 2021

Reserves policy

The Board's policy on reserves is to target a reserve level which is equal to three to six months' projected fixed costs (fixed costs being rent, rates and other running, but not activity costs). This target level of reserves should be free reserves, or money readily realisable, and therefore should not include fixed assets. Where the target level of reserves has been reached, the Board would seek to reinvest those surplus funds in the following financial year, to support the development of our service to the sector.

At the period end, total unrestricted reserves were £1,095,528 which included £527,465 of fixed assets. Free reserves were therefore £568,063. Our most recent calculation is that three months' running costs would be approximately £600k.

Risk Management

The Board regularly reviews and assesses the risks to which TAA may be exposed. A risk register identifies those risks and actions agreed to mitigate them. Each Board meeting highlights the key issues and risks facing each of the Business Units and for TAA as a whole.

The identified high-level risks at the end of March 2021 were:

RISK	MITIGATION
Demand reduces	Build on agile user-centred practices and processes Market test offers/prioritise productisation Close monitoring marketing strategy/ focused business development
Margins flatline/decrease	Simplify structures. Differentiated offers and pricing. Measure and track budgeting and attribution Productise. Build in flex through associate network
Reduction/removal of major funding stream	Continued diversification of income Continued international collaboration
Weak Cash Flow	Weekly cashflow review Budgets developed to generate higher net surpluses Resilience and Recovery loan (April 2021)
Insufficient capacity or capability	Continuous review of priorities Flexible resourcing options
Competition in the Market	Promote clearer, simpler offer. Differentiated pricing. Improve unique data assets Strategic marketing. Rebrand. Promote "specialists"

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Plans for the future

Our 2021/22 Business Plan was developed by task groups involving a cross section of TAA staff, and two board working groups, focussing on different areas of risk and opportunity. It was designed to enable us to continue to support our sector through seismic change to come in the best way we are able.

The Plan reflects our ambitions to “build back better”, for a post-pandemic world which continues challenging for our stakeholders in the cultural and creative industries. The emphasis of our work will be on enabling recovery and regeneration – for individual organisations, consortia and local authorities as well as the communities they serve. Overall, this means investing in critical services that only TAA can properly provide – like Audience Spectrum and access to the Audience Finder data – and focusing our services on the needs of the moment.

We hope to do this in way that is responsible and sustainable for our hard-working and resilient workforce. We don't anticipate a large surplus for 21/22 but want to ensure instead a strong platform for future years. The aim is to grow revenue, margin and impact.

The objectives for 2021/22 are:

- To provide a tested suite of services which meet the recovery, regeneration and inclusion needs of the full range of our stakeholders and client base, as they develop.
- To increase the uptake and affordability of our most-in demand services, improving their communication and working with users to prioritise and design them.
- To improve the quality, range, relevance of and access to our unique data assets, in a way relevant to our users and sustainable for TAA.
- To increase our thought-leadership as data-inspired leaders, worthy custodians of national datasets, champions of cultural democracy, inclusion and innovation in these fields.
- To improve staff wellbeing, addressing materially issues associated with overworking, new patterns of homeworking, career progression and personal development.
- And through the subsidiary:
 - To further encourage confident use of audience data through the release of new Audience Finder 2.0 functionality in the UK by March 2022.
 - To extend the scope and value of Audience Finder 2.0 (and other TAA IP) by bringing additional investment and expertise, including from at least two international partners.

Structure, Governance and Management

Governing Document

The Audience Agency is a company limited by guarantee, established on 25 June 2012, and registered as a charity on 29 November 2012. It is governed by its Memorandum and Articles of Association. The company's object is the promotion of the arts for public benefit by the provision of advice, support and information, and the provision of support services.

The governing body is the Board whose members are non-executive and unpaid. They meet regularly and retain full and effective control over the Company and monitor the Executive. The Board is involved in major strategic decisions and has ultimate responsibility for the conduct and financial stability of TAA.

Recruitment and Appointment of Trustees

As set out in the Memorandum and Articles of Association, the Board shall consist of not less than three and not more than fifteen people. As at 30 March 2021, the Board comprised eight people. New Trustees are appointed through an open recruitment process and we advertised the roles widely through sector sites and specialist recruitment sites to encourage as wide a response as possible.

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FOR THE YEAR ENDED 30 MARCH 2021

Induction and Training of Trustees

Information packs are provided to all Trustees detailing our work and their roles, responsibilities and obligations as a Trustee and as a Director. Each prospective new Trustee attends a Board meeting prior to appointment in order for them to understand how TAA is managed and governed. Other documents provided to new Trustees include previous accounts, the Business Plan and Charity Commission guidance. New Trustees are also partnered with one of the Executive team so that they can get a more detailed understanding of the organisation and its activities.

On an ongoing basis, Trustees are encouraged to attend appropriate external training courses and events. The annual Board away day provides an opportunity for development and throughout the year mini-Board workshops are run on issues of strategic importance.

Organisational Structure

The organisational structure is reviewed regularly.

The Board delegates full control to the Chief Executive Officer and the Executive Team for the delivery of the agreed plans. The Board monitors and reviews the quality, timeliness and relevance of the information provided to the Board meetings by members of the Executive Team.

The Board has established a Finance Sub-Committee, which meets two weeks before each Board meeting, to review the financial position and provide advice and support to the Executive Team.

Related Parties

The organisation maintains a register of interests for Board members and members of the Senior Management Team. Board members are required to declare any conflicts of interest before each Board meeting.

The Audience Agency Services Limited is a wholly owned subsidiary of the company and was established originally to manage a print distribution service in the North West of England. In 2020-21, the subsidiary comprised Golant Innovation, an innovation agency, whose consultancy services complimented those of the charity. The research and development work for Audience Finder was also conducted through the trading subsidiary.

Remuneration Policy for Key Personnel

The Board sets the remuneration for the Chief Executive and other key personnel. Pay rates are determined by reference to an internal evaluation scheme and external benchmarking.

Statement of Trustees' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 Charities SORP

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FOR THE YEAR ENDED 30 MARCH 2021

- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable group 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Auditors

Cooper Parry continued as the charitable company's auditors in 2020/21.

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

Approved by order of the members of the board of Trustees and signed on their behalf by:

DocuSigned by:

9AB11A4D3F9F468...
M Locke
(Chair of Trustees)

Date: 20 December 2021

DocuSigned by:

70BDE08026504A7...
S Parker
(Vice Chair of Trustees)

THE AUDIENCE AGENCY
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AUDIENCE AGENCY

Opinion

We have audited the financial statements of The Audience Agency (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 30 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 30 March 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AUDIENCE AGENCY (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the 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.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AUDIENCE AGENCY (CONTINUED)

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 Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focussed on key laws and regulations the Group and parent charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Group and parent charitable company and how the Group and parent charitable company are complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Group and parent charitable company's control environment and how the Group and parent charitable company have applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the Group and parent charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AUDIENCE AGENCY (CONTINUED)

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Atkins FCA (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

Date: 20 December 2021

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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 MARCH 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Government grants	3	192,043	-	192,043	-
Charitable activities	4	1,475,518	779,711	2,255,229	2,752,216
Other trading activities	5	312,865	-	312,865	339,204
Other income	6	86,739	-	86,739	93,232
Total income		<u>2,067,165</u>	<u>779,711</u>	<u>2,846,876</u>	<u>3,184,652</u>
Expenditure on:					
Raising funds	7	440,171	-	440,171	312,445
Charitable activities	8	1,288,281	763,800	2,052,081	2,428,252
Total expenditure		<u>1,728,452</u>	<u>763,800</u>	<u>2,492,252</u>	<u>2,740,697</u>
Net movement in funds		<u>338,713</u>	<u>15,911</u>	<u>354,624</u>	<u>443,955</u>
Reconciliation of funds:					
Total funds brought forward		805,107	-	805,107	361,152
Net movement in funds		338,713	15,911	354,624	443,955
Total funds carried forward		<u>1,143,820</u>	<u>15,911</u>	<u>1,159,731</u>	<u>805,107</u>

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 38 form part of these financial statements.

THE AUDIENCE AGENCY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08117915

CONSOLIDATED BALANCE SHEET
AS AT 30 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	522,660	482,855
Tangible assets	13	4,805	7,268
		<u>527,465</u>	<u>490,123</u>
Current assets			
Debtors	15	623,450	753,376
Cash at bank and in hand		704,057	86,297
		<u>1,327,507</u>	<u>839,673</u>
Creditors: amounts falling due within one year	16	(695,241)	(524,689)
Net current assets		<u>632,266</u>	<u>314,984</u>
Total net assets		<u><u>1,159,731</u></u>	<u><u>805,107</u></u>
Charity funds			
Restricted funds	18	15,911	-
Unrestricted funds	18	1,143,820	805,107
Total funds		<u><u>1,159,731</u></u>	<u><u>805,107</u></u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 20 December 2021 and signed on their behalf by:

DocuSigned by:

 9AB11A4D3F9F468...
M Locke
 (Chair of Trustees)

DocuSigned by:

 70BDE98926504A7...
S Parker
 (Vice chair of Trustees)

The notes on pages 18 to 38 form part of these financial statements.

THE AUDIENCE AGENCY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08117915

CHARITY BALANCE SHEET
AS AT 30 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	16,651	124,243
Tangible assets	13	4,805	7,268
Investments	14	502,660	347,586
		<u>524,116</u>	<u>479,097</u>
Current assets			
Debtors	15	394,604	640,864
Cash at bank and in hand		647,551	71,053
		<u>1,042,155</u>	<u>711,917</u>
Creditors: amounts falling due within one year	16	(616,382)	(534,233)
		<u>425,773</u>	<u>177,684</u>
Net current assets			
		<u>949,889</u>	<u>656,781</u>
Total assets less current liabilities			
		<u>949,889</u>	<u>656,781</u>
Total net assets		<u>949,889</u>	<u>656,781</u>
Charity funds			
Restricted funds	18	15,911	-
Unrestricted funds	18	933,978	656,781
		<u>949,889</u>	<u>656,781</u>
Total funds		<u>949,889</u>	<u>656,781</u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 20 December 2021 and signed on their behalf by:

DocuSigned by:

Matt Locke

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M Locke
(Chair of Trustees)

DocuSigned by:

Steven Parker

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S Parker
(Vice Chair of Trustees)

The notes on pages 18 to 38 form part of these financial statements.

THE AUDIENCE AGENCY
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	1,017,789	405,280
Cash flows from investing activities			
Purchase of intangible assets	12	(348,581)	(425,813)
Purchase of tangible fixed assets	13	(1,448)	(6,540)
Net cash used in investing activities		(350,029)	(432,353)
Cash flows from financing activities			
Cash inflows from new borrowing		-	50,000
Repayments of borrowing		(50,000)	(30,000)
Net cash (used in)/provided by financing activities		(50,000)	20,000
Change in cash and cash equivalents in the year		617,760	(7,073)
Cash and cash equivalents at the beginning of the year		86,297	93,370
Cash and cash equivalents at the end of the year	21	704,057	86,297

The notes on pages 18 to 38 form part of these financial statements

THE AUDIENCE AGENCY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

1. General information

The Audience Agency is a private company, limited by guarantee, incorporated in England and Wales (08117915). The principal address of the group is The Whitehouse, Wilderspool Business Park, Greenalls Avenue, Stockton Heath, Warrington, WA4 6HL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared in Sterling (£) which is the functional currency of the Charity. The financial statements are for the year ended 30 March 2021 (2020: period ended 30 March 2020).

The financial statements have been prepared in accordance with the 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Audience Agency meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements. The parent charity made a surplus of £290,572.

2.2 Going concern

At the balance sheet date, the Charity had a strong net asset position. At the time of signing these accounts, the trustees have considered the effect of the Coronavirus pandemic on the going concern position, and consider that the Charity will continue to operate for a period of at least 12 months from the date of signing these accounts due to the reserves available to it.

The financial forecasts prepared show that the Charity will be able to operate within the facilities available to it.

On that basis, the trustees have prepared these financial statements on a going concern basis.

THE AUDIENCE AGENCY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

2. Accounting policies (continued)

2.3 Income

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

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised; refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services and facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

2.6 Government grants

Government grants relating to tangible fixed assets are credited to the Consolidated Statement of Financial Activities and held in reserves, depreciation is charged over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated Statement of Financial Activities as the related expenditure is incurred.

THE AUDIENCE AGENCY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

2. Accounting policies (continued)

2.7 Intangible assets and amortisation

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Goodwill arising on business combinations is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful life. The period chosen for writing off goodwill is three years. Provision is made for any impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following bases:

Data assets	-	33 %
Computer software	-	33 %

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	20%
Computer equipment	-	33%

2.9 Investments

Programme related investment is an amount equal to the capital contribution provided to the trading subsidiary to develop an intangible asset to further the charitable purposes of the charity. The Investment is written down in line with the value of the asset in the trading subsidiary.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Debtors

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

THE AUDIENCE AGENCY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

2. Accounting policies (continued)

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

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 Charity 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.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.13 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Operating leases

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

2.15 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group 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.

THE AUDIENCE AGENCY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

3. Income from government grants

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Government grants	192,043	192,043	-
	<u>192,043</u>	<u>192,043</u>	<u>-</u>

Government grants received in the period relate to the Coronavirus Job Retention Scheme.

THE AUDIENCE AGENCY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

4. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Major stakeholders and funders				
Arts Council England	324,000	763,800	1,087,800	752,975
ADESTE	-	15,911	15,911	15,772
Audiences Insight Wales	56,834	-	56,834	100,570
Creative Scotland	291,245	-	291,245	335,115
COLA	-	-	-	(2,218)
Connect	-	-	-	31,660
New Capacity development	(14,725)	-	(14,725)	30,800
Subtotal for major stakeholders and funders	657,354	779,711	1,437,065	1,264,674
Bespoke Services				
Consultancy	423,267	-	423,267	537,678
Data analysis	17,950	-	17,950	21,725
Research	252,640	-	252,640	589,809
Subtotal for bespoke services	693,857	-	693,857	1,149,212
Package/programme income				
Audience spectrum licensing	6,100	-	6,100	56,025
Enhanced dashboards	33,788	-	33,788	100,203
Package services	71,692	-	71,692	158,631
Showstats	12,725	-	12,725	23,471
Subtotal for package/programme income	124,305	-	124,305	338,330
	1,475,516	779,711	2,255,227	2,752,216
Total 2020	1,954,784	797,432	2,752,216	

THE AUDIENCE AGENCY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Consultancy services	312,865	312,865	339,204

All income from other trading activities in the prior year was unrestricted.

6. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Research and development tax credit	86,739	86,739	93,232

All income from other incoming resources in the prior year was unrestricted.

7. Expenditure on raising funds

Trading subsidiary expenses

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Cost of sales	31,253	31,253	69,708
Administration expenses	210,083	210,083	111,401
Administration staff costs	198,835	198,835	131,336
	<u>440,171</u>	<u>440,171</u>	<u>312,445</u>

THE AUDIENCE AGENCY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Total funds 2021 £	Total funds 2020 £
Advice and assistance	2,052,081	2,052,081	2,428,252

Analysis of direct costs

	Advice & assistance 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	1,296,115	1,296,115	1,478,616
Depreciation and amortisation	111,503	111,503	93,031
Programme cost	282,975	282,975	290,914
Bespoke overheads	116,205	116,205	241,668
Office, travel and training costs	70,961	70,961	138,402
Governance	14,491	14,491	11,416
Rent and rates	77,759	77,759	79,614
Website and IT	82,072	82,072	94,591
	<u>2,052,081</u>	<u>2,052,081</u>	<u>2,428,252</u>
Total 2020	<u>2,428,252</u>	<u>2,428,252</u>	

The above expenditure is split £763,800 (2020: £802,046) restricted expenditure and £1,288,281 (2020: £1,628,246) unrestricted expenditure. Governance costs include the audit remuneration of £9,000 (2020: Governance costs include audit remuneration of £9,000 and expenses reimbursement for board meetings of £2,416).

THE AUDIENCE AGENCY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021**

9. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	9,000	9,000

10. Staff costs

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Wages and salaries	1,313,171	1,418,224	1,114,336	1,286,888
Social security costs	141,401	151,190	141,401	151,190
Pension cost	40,378	40,538	40,378	40,538
	<u>1,494,950</u>	<u>1,609,952</u>	<u>1,296,115</u>	<u>1,478,616</u>

The average number of persons employed by the Charity during the year was as follows:

	Group 2021 No.	Group 2020 No.
Administration staff	45	45

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charity comprise the trustees and the Executive Team. The roles within the Executive Team are CEO, Chief Operating Officer, Chief Research Officer, Head of Finance & Ops, Director of Data Platforms and the Innovation Director.

During the year 2 employees (2020: Nil) received redundancy payments totaling £1,587 (2020: £Nil).

The total employee benefits of the key management personnel of the charity were £275,586 (2020: £278,526).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020: £Nil).

During the year ended 30 March 2021, expenses totalling £NIL were reimbursed or paid directly to Trustee (2020 - £539 to 6 Trustees). Expenses related to travel and subsistence.

THE AUDIENCE AGENCY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021**

12. Intangible assets

Group

	Data assets £	Computer software £	Goodwill £	Total £
Cost				
At 31 March 2020	338,360	432,650	23,000	794,010
Additions	-	348,581	-	348,581
At 30 March 2021	338,360	781,231	23,000	1,142,591
Amortisation				
At 31 March 2020	214,117	85,065	11,973	311,155
Charge for the year	107,592	193,515	7,669	308,776
At 30 March 2021	321,709	278,580	19,642	619,931
Net book value				
At 30 March 2021	16,651	502,651	3,358	522,660
At 30 March 2020	124,243	347,585	11,027	482,855

THE AUDIENCE AGENCY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

12. Intangible assets (continued)

Charity

	Data assets £
Cost	
At 31 March 2020	338,360
At 30 March 2021	<u>338,360</u>
Amortisation	
At 31 March 2020	214,117
Charge for the year	107,592
At 30 March 2021	<u>321,709</u>
Net book value	
At 30 March 2021	<u>16,651</u>
At 30 March 2020	<u>124,243</u>

THE AUDIENCE AGENCY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021**

13. Tangible fixed assets

Group and Charity

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 31 March 2020	27,888	87,799	115,687
Additions	-	1,448	1,448
At 30 March 2021	27,888	89,247	117,135
Depreciation			
At 31 March 2020	27,888	80,531	108,419
Charge for the year	-	3,911	3,911
At 30 March 2021	27,888	84,442	112,330
Net book value			
At 30 March 2021	-	4,805	4,805
At 30 March 2020	-	7,268	7,268

THE AUDIENCE AGENCY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

14. Fixed asset investments

Charity	Investments in subsidiary companies £	Programme investment £	Total £
Cost or valuation			
At 30 March 2020	1	432,650	432,651
Additions	-	348,589	348,589
At 30 March 2021	<u>1</u>	<u>781,239</u>	<u>781,240</u>
Impairment			
At 31 March 2020	-	85,065	85,065
Charge for the year	-	193,515	193,515
At 30 March 2021	<u>-</u>	<u>278,580</u>	<u>278,580</u>
Net book value			
At 30 March 2021	<u>1</u>	<u>502,659</u>	<u>502,660</u>
At 30 March 2020	<u>1</u>	<u>347,585</u>	<u>347,586</u>

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Holding	Included in consolidation
The Audience Agency Services Limited	06994989	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) for the year £	Net assets £
The Audience Agency Services Limited	351,312	(531,543)	(180,231)	664,210

THE AUDIENCE AGENCY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021**

15. Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Due after more than one year				
Other debtors	-	20,000	-	-
	-	20,000	-	-
Due within one year				
Trade debtors	291,158	387,177	251,539	364,264
Amounts owed by group undertakings	-	-	20,000	58,686
Other debtors	260,515	269,565	51,288	141,280
Prepayments and accrued income	71,777	76,634	71,777	76,634
	623,450	753,376	394,604	640,864

16. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	84,840	254,507	77,690	235,384
Other taxation and social security	135,983	147,946	118,208	140,961
Other creditors	7,110	59,260	7,110	59,260
Deferred income	425,968	41,445	199,906	31,289
Amounts owed to group undertakings	-	-	186,478	54,722
Accruals	41,340	21,531	26,990	12,617
	695,241	524,689	616,382	534,233
	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Deferred income at 30 March 2020	41,445	40,115	31,289	28,047
Resources deferred during the year	425,968	41,445	199,906	31,289
Amounts released from previous periods	(41,445)	(40,115)	(31,289)	(28,047)
	425,968	41,445	199,906	31,289

THE AUDIENCE AGENCY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

17. Financial instruments

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Financial assets				
Financial assets measured at fair value through income and expenditure	704,057	86,297	647,551	71,053

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

18. Statement of funds

Statement of funds - current year

	Balance at 30 March 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 March 2021 £
Unrestricted funds					
Charity funds	702,626	1,667,561	(1,276,266)	(159,943)	933,978
Subsidiary reserves	102,481	399,604	(452,186)	159,943	209,842
	<u>805,107</u>	<u>2,067,165</u>	<u>(1,728,452)</u>	<u>-</u>	<u>1,143,820</u>
Restricted funds					
Arts Council England	-	763,800	(763,800)	-	-
Adeste +	-	15,911	-	-	15,911
	<u>-</u>	<u>779,711</u>	<u>(763,800)</u>	<u>-</u>	<u>15,911</u>
Total of funds	<u>805,107</u>	<u>2,846,876</u>	<u>(2,492,252)</u>	<u>-</u>	<u>1,159,731</u>

THE AUDIENCE AGENCY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 MARCH 2021

18. Statement of funds (continued)

Arts Council England: this is funding contributing to a data aggregation programme and analysis service which creates a national data set and an understanding of audiences and public impact. The service provides insight to underpin audience development, marketing and business planning for beneficiary organisations, including but not confined to Arts Council "National Portfolio Organisations".

Adeste +: The purpose of this project is to enable wider audience participation in arts and culture across Europe. It recognises that effective audience development is the key to an inclusive sector that is both sustainable and relevant to a broader public. ADESTE+ project offers a recipe for organisational change - or blueprint - which enables real audience development to take place, and new business models to emerge as a result. It will support partners not just to become more sustainable in social, financial and artistic terms, but to teach others how to do so. It will support experimentation in producing excellent work with and for a wide range of audiences, especially those usually not much engaged in arts and culture.

Connect: seeks to promote innovative cooperation between universities and enterprises in the cultural sector across Europe. Forming part of The Audience Agency's wider international work, CONNECT will strengthen the connection between higher education and cultural managers already working in the sector - each learning from the other.

Creative asset: is a project to develop, test and provide theatres/performing arts organizations across Europe with the tool and skills to learn about their audiences, utilize the findings to diversify and deepen the relationship with their audiences and create their artistic program and marketing using the European Theatre Night and similar audience development events as a focal point.

Each restricted fund relates to a project which has been assessed in terms of completion. Where the fund is in deficit and future funding is not expected to cover this deficit a reserves transfer from unrestricted funds to the restricted fund has taken place to reflect the charity's contribution to the restricted project.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 March 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 March 2020 £
Unrestricted funds					
Charity funds	389,762	1,954,784	(1,628,246)	(13,674)	702,626
Subsidiary reserves	(19,550)	432,436	(310,405)	-	102,481
	<u>370,212</u>	<u>2,387,220</u>	<u>(1,938,651)</u>	<u>(13,674)</u>	<u>805,107</u>
Restricted funds					
ACE audience finder	-	750,000	(750,000)	-	-
Connect	(12,720)	31,660	(18,940)	-	-
Adeste +	(7,426)	15,772	(22,020)	13,674	-
Creative asset	11,086	-	(11,086)	-	-
	<u>(9,060)</u>	<u>797,432</u>	<u>(802,046)</u>	<u>13,674</u>	<u>-</u>
Total of funds	<u>361,152</u>	<u>3,184,652</u>	<u>(2,740,697)</u>	<u>-</u>	<u>805,107</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	4,805	-	4,805
Intangible fixed assets	522,660	-	522,660
Current assets	1,311,596	15,911	1,327,507
Creditors due within one year	(695,241)	-	(695,241)
Total	<u>1,143,820</u>	<u>15,911</u>	<u>1,159,731</u>

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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	7,268	7,268
Intangible fixed assets	482,855	482,855
Debtors due after more than one year	20,000	20,000
Current assets	819,673	819,673
Creditors due within one year	(524,689)	(524,689)
Total	<u>805,107</u>	<u>805,107</u>

20. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	Group 2020 £
Net income for the year (as per Statement of Financial Activities)	354,624	443,955
Adjustments for:		
Depreciation charges	3,911	2,235
Amortisation charges	308,776	172,797
Loss on the sale of fixed assets	-	760
Decrease/(increase) in debtors	129,926	(312,317)
Increase in creditors	220,552	97,850
Net cash provided by operating activities	<u>1,017,789</u>	<u>405,280</u>

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21. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	704,057	86,297
Total cash and cash equivalents	704,057	86,297

22. Analysis of changes in net debt

	At 30 March 2020 £	Cash flows £	At 30 March 2021 £
Cash at bank and in hand	86,297	617,760	704,057
Debt due within 1 year	(50,000)	50,000	-
	36,297	667,760	704,057

23. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and £7,110 (2020 - £9,260) was payable to the fund at the balance sheet date and are included in creditors.

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24. Operating lease commitments

At 30 March 2021 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	21,148	43,451
Later than 1 year and not later than 5 years	15,324	11,502
	<u>36,472</u>	<u>54,953</u>

25. Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

No trustee or other person related to the charity had any personal interest in any contract of transaction entered into by the charity, including guarantees, during the year (2020: £Nil).

During the previous year a spouse of an employee made a loan to the charity at an interest rate of 10% per annum. The amount owed by the Charity at the year end was £Nil (2020: £50,000) and the interest payable was £Nil (2020: £750).

During the year the charity recharged The Audience Agency Services £79,357 (2020: £39,220) in respect of admin and support costs. At the year end the charity owed £166,478 (2020: the charity was owed £3,964).

Trustees are appointed to the board primarily for the skills, experience and knowledge that they bring to the organisation. Such individuals are likely to hold other directorships or work within the sector for organisations that may have links with The Audience Agency or its subsidiary The Audience Agency Services Limited.

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FOR THE YEAR ENDED 30 MARCH 2021

25. Related party transactions (continued)

The following trustees either hold an executive post or sit on the board of organisations undertaking business transactions with The Audience Agency and/or its subsidiary. All sales/(purchases) are at arms length.

Name	Organisation	2021	2020
		£	£
Anne Torreggiani	Tamasha Theatre Company	-	100
	Centre of Cultural Value	-	5,730
Patrick Towell	Institute of Technology and Society in Rio	-	1,200
Chris Michaels	The Collections Trust	-	380
Matthew Locke	British Science Association	6,178	-