

Company no. 6004929  
Charity no. 1176855

**Diverse City**  
**Report and Audited Financial Statements**  
**31 March 2021**

## **Diverse City**

### **Reference and administrative details**

**For the year ended 31 March 2021**

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**Company number** 6004929

**Charity number** 1176855

**Registered office and operational address** 3 Manwell Drive  
Swanage  
Dorset  
BH19 3RB

**Trustees** Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

A Abdullatif	resigned 13 November 2020
A Al-Ani	
M Allwood	
S Aziz	resigned 17 October 2021
H Costello	
A Dabek-Breza	resigned 14 September 2021
G Devlin	
D Tourountsis	
D Wariebi	resigned 31 October 2021
D Young	

**Company secretary** D Tourountsis

**Bankers** Unity Trust Bank  
PO Box 7193  
Planetary Road  
Willenhall  
WV1 9DG

**Auditors** Godfrey Wilson Limited  
Chartered accountants and statutory auditors  
5th Floor Mariner House  
62 Prince Street  
Bristol  
BS1 4QD

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Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2019).

#### **Structure, governance and management**

Diverse City is a company limited by guarantee and a charity registered with the Charity Commission. The company has a board of ten trustees and is governed by our Articles of Association, adopted by a special resolution dated 22 December 2017.

Trustees are recruited by invitation and by open call out by the board in collaboration with the Senior Management team. Trustees are appointed according to identified skill gaps and in line with our targets around representation and equality. Trustees meet quarterly to review our progress against targets, risk register and the quarterly management accounts.

Trustees are inducted into the company through meetings with the senior management of the company and the Chair of Trustees. Trustees are invited to participate in action groups to deepen their involvement and contribution and all trustees are invited to view the work both in development and in performance throughout the year. The board has an annual away day where the development of strategic plans is considered and planned.

Responsibility for the management of the charity is delegated to a four-person senior management team, comprised of two joint Artistic Directors, an Executive Director and a Finance Director who report to the board. The SMT holds responsibility for strategic artistic, financial and organisational delivery of the four-year business plan. Financial management is led by the Executive Director and Finance Director.

Diverse City artistic leadership is held by Co Artistic Directors, Claire Hodgson and Jamie Beddard. The artistic and strategic planning for Diverse City's circus collaboration, Extraordinary Bodies is shared equally between the charity and Cirque Bijou Limited. The close working relationship and shared responsibilities between these two companies are governed by a collaboration agreement, reviewed annually.

In 2020-21, Diverse City operated a distributed company of 16 people (largely on part-time contracts). We do not have a permanent volunteer staff. Our extended, living system normally comprises up to 125 freelance professional performers and producers plus a regular, integrated youth ensemble called Extraordinary Bodies Young Artists, with an annual and seasonal membership of 16-30 year olds.

Each strategic area of activity is delivered by distributed sub-teams (artistic creation, CYP, marketing /communications, community) with skills and delegated responsibilities for partnership development, fundraising and strategic planning. Teams are stewarded and supported by the SMT alongside their peers. 2020 brought a change in our team interactions, moving meetings systems and creation wholly online and necessitating a more actively transparent and shared online office. 'Sprints' are still a feature of our work, but now they are shorter and online and we have not met as a whole company in person since mid-March 2020.

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The charity is active in many new and established networks: What Next? Ramps on the Moon, Unlimited, Change Creation, NPO cohort, Transforming Leadership, Jerwood Creative Fellows, Women Leaders south West plus festival and commercial networks. Claire Hodgson has sat on ACE South-West Regional Council since 2013; Jamie Beddard and Claire Hodgson are on What Next? Core Group and have advised DCMS; they work closely with the Clore Leadership Programme and have been part of the Agents for Change network working at Plymouth Theatre Royal, Bristol Old Vic and New Wolsey, Ipswich.

The charity is a member of Independent Theatre Council, National Association of Youth Theatres and IETM.

Extraordinary Bodies is the charity's key partnership and a collaboration with Cirque Bijou. The partnership emerged out of our work together in 2012 Olympics and is governed by a four-year collaboration agreement reviewed annually. The charity also has a time limited partnership agreement Lighthouse Poole, plus an associateship with Bristol Old Vic.

The Charity is a living wage employer and sets rates of pay for key management personnel based on equivalent sector market rates and level of artistic and fiscal responsibility held. The Charity aims to maintain minimal differentials between the top and bottom pay rates in the company.

### **Objectives and activities**

#### **The charity's aims**

Diverse City is founded on the values of collaboration, justice, creativity and optimism. Our charity's vision is a healthy, just and civil society, led by a diverse and relevant public performing arts culture. The purpose of our work is to dismantle systemic inequality through cultural practice. The charity is part of a movement for social change that advocates for equality and diversity in public performing arts. Our aims are to make excellent performance work and develop talent of diverse independent artists whilst supporting the Arts Council England's Creative Case for Diversity; to increase the number and range of people experiencing excellent performing arts; to build our organisational resilience; and to offer creative experiences for diverse children and young people.

#### **How the charity's aims further its legal purposes**

Our aims further our legal purpose to promote equality, diversity and social inclusion for the public benefit; advance education in the arts; raise awareness in equality and diversity; and widen participation in performing arts, by modelling inclusion in everything that we do, sharing good practice in equality and diversity in the arts and by providing new pathways into the arts for people traditionally excluded as the result of social, economic or physical barriers.

#### **The charity's strategies for achieving its stated aims and objectives**

Our strategies are to lead the UK's only integrated circus company Extraordinary Bodies in partnership with Cirque Bijou; to co-produce new work rooted in the stories and experiences of real people; identify, support and employ new and underrepresented performing arts talent on stage and off stage; to include the participation of diverse civic artists in every place we perform and in every show we make; to lead a youth ensemble that exemplifies and paves the way for inclusive performing arts training. We want to see everyone on and off stage and in the audience, participating in the telling of stories with universal resonance, within diverse, activated and connected communities.

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##### **The criteria the charity uses to assess success in achieving goals**

The charity assesses success in achieving goals through a quarterly review of annual SMART targets across all strands of our work. We measure the number of productions made and toured, partnerships forged, artists developed, audiences reached, and young people engaged.

We evaluate the impact of our work on the attitudes and expectations of artists and audiences. We also capture progression through our company and beyond of artists and young people, by monitoring skill development, career progression and additional training pathways followed.

We judge our success on the impact and reach of our work through robust evaluation frameworks for all our activity that use self and peer assessment of personal and professional change catalysed by our work.

##### **Significant activities undertaken and their contribution to the charity's achievement of aims and objectives**

Significant activities during this period centred upon promoting equality, diversity and social inclusion as key to a fair cultural restart. We prioritised working to ensure that lockdowns did not mean Deaf and disabled artists became invisible. We made work with and advocated for freelance artists, particularly those shut out of support or those who are Deaf, disabled or clinically vulnerable. We worked to alleviate isolation and catalyse digital creative community activity nationally, including that of our vital young company ensemble - the future creative workforce. Our creative work focused on using online platforms to seed the engagement of new, and often less valued audiences and find ways for future audiences, even if wary of returning to live performance, to always have an accessible, digital option available. The pandemic may have paused face to face activity, but growing our digital expertise means that in future we will reach more people in more places more often, thereby increasing the charity's ability to achieve its aims and objectives.

##### **How the charity delivers public benefit**

The charity delivers public benefit by mitigating barriers to engagement and participation in the performing arts and working to ensure that the cultural sector is inclusive and reflective of the widest number and range of people in our society. The charity's trustees confirm that they have had regard to the Charity Commission's guidance on public benefit.

##### **Goals**

Our charity's short-term goals at the start of 2020-21 were to consolidate our still relatively new transition from being a project-funded, founder-led limited company, with a turnover of approximately £300k, to an ACE, NPO core-funded charity, now with a turnover of approximately £1.5m, governed by a 10-strong board of trustees. We aimed to deliver year three of our 2018-22 business plan responsibly and effectively, to deliver a three-year Arts Council funded strategic project of national importance, *Touring Diverse Led Circus*, to deliver a new Paul Hamlyn Foundation project and to begin the process of our next business planning cycle.

Our goal was also to ensure that the charity continued to have the appropriate resources, capacity and structure to manage a shift in scale, responsibility and accountability in joining the ACE National Portfolio. Our workforce expanded to 16 full and part time roles to support the organisational structure, with some team members moving onto furlough as the extent of the pandemic impact was felt. Our overheads budget increased from approximately £256k to £415k by the end of the same period. During this period, we continued the work of aligning and tightening policy development and contractual agreements with those of our partner Cirque Bijou to ensure that systems as well as strategic thinking were flowing smoothly between companies.

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##### **Grants**

From 2018–2022 the Charity is committed to granting approximately £100k to Cirque Bijou for the shared management and delivery of our partnership collaboration, Extraordinary Bodies. In 2020-21 this grant ensured that the partnership continued in severely straitened times. The partnership fulfils our aims and objectives by embodying our ethos, vision and mission through creating practical artistic productions that promote equality and diversity and of social inclusion for the public benefit.

##### **Volunteers**

The charity currently has no permanent volunteer workforce and tends to work with volunteers provided by partner organisations. Their contribution is not significant to the charity's ability to carry out our aims and objectives.

##### **2020-21 Progress towards achievement of aims**

At the time of writing, Extraordinary Bodies is coming to the end of the tour of a brand-new live show *Human* – a sentence that, even a few months ago, would have been hard to imagine. As we continue to weather audience and artist trepidation and isolation, *Human* offers a gentle, multi-layered welcome back for those ready to return – not to business as usual, but to a new future where all will see a cultural recovery with inclusion at its heart.

##### **Aim 1: To make excellent new work and develop talent**

###### **New work**

The pandemic slowed all our planned new projects. However, we pushed forward with collaborative creative conversations with Nordland Visual theatre around *Delicate* and in the gaps between lockdowns we also produced our first Covid Safe, creative music try out for Waldo's Zircus of Magic and Terror, led by Charles Hazlewood. The try out was a way to explore the potential musical language and original compositions for the show with new and known circus and vocal talents. In the main, 2020-21 was about turning our attention from work in real life to new digital experiments that explored what it takes to create a new way to live now, together.

Soon after the first lockdown was announced in 2020, we developed a short film shot entirely remotely, called *What Do You See In Me?* The film fleshed out the back stories of characters from Extraordinary Bodies 2018 show *What am I Worth?* to explore the fragility of human connection and human value. We recognise the work was experimental - perhaps appealing more to peers – and released at a time when everyone was being bombarded with new digital content. In that context, the experience of our peers was really positive and we are proud of that. It makes sense that the public was slightly less engaged - it was a short, self-shot and slightly niche film - there were things that needed refining or editing further.

It is heartening to see that peers scored the film highly on relevance and rigour. Their comments were also supportive and positive. They recognised we were trying things out whilst acknowledging the great stress and challenge. The whole experiment was conceived and created in hard lockdown, remotely and in a totally new way with performers across Europe. It taught us that the digital world creates a real intimacy with audiences that is different to the collective, live experience. This work can start authentic conversations and make connections in a way that is surprising and exciting. This will inform how we think about digital, how we see those audiences and how we work with partners to make sure that the work lands in a way that is supported and encouraged. It is a different way of thinking about audiences - because you cannot see them it is harder to believe that a relationship exists. But it does.

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We also commissioned 4 lead artists to explore the themes of current and forthcoming shows, creating a portfolio of short, new visual and audio experiments that enriched our creative skills and artistic networks. We celebrated artistic resilience with other brilliant organisations in Signal Fires, creating an evening of live-streamed digital performance with our community of artists who shared songs, stories and poems.

Towards the end of 2020-21 we started the slow and predominantly online journey towards making a new touring show Human. Working with a new multi-skilled group of collaborators, we began to build samples of the sound and visual world for the show. Our new work was informed by preceding artistic experiments, the brave digital approach of our youth company, Extraordinary Bodies Young Artists, and our online work with communities. With growing confidence and skill, we started to imagine and test an approach that fused digital and live performance and integrated music, circus, poetic and digital documentary forms.

#### **Talent development**

The pandemic became the space to experiment with digital form and skills and to draw a wide range of independent artists into those experiments. It also enabled us to partner with Knowle West Media Centre on a digital training programme involving key freelance artists alongside core creatives.

Through a CRF supported digital commissions, many theatre directors and actors were able to extend their digital skills with playful and beautiful results. Upcoming cinematographer Monika Jastrzebska worked with Lucy Richardson and Sheila Chapman to create a short, accessible film with the cast of our early 2020 hit show, *Mid Life*, called *Mid Life: The Skin We're In* to distribute to venues (Brighton Dome, Bristol Old Vic, Barbican Arts Centre) and submit to short film festivals (Women Over 50 and Catfish Film Festivals). Disabled puppeteer, Nikki Charlesworth began new forays into animation working with animator Emma Fisher, disabled composer Oliver Vibrans, disabled artists DJ Williams, dancer Helen Cherry and aerialist/support worker Rebecca Solomon. Nikki successfully guided a process that generated three distinct artistic explorations harnessing different animation effects to explore themes from our family show *Splash!* The creative team from Delicate explored ideas for an atmospheric, funny and evocative podcast that tracked the experience of the group of artists attempting to continue to develop their work in a pandemic.

We also continued our commitment to embed creative thinking about access with independent artists. Milton Lopes experimented with expanded audio description within his digital capture of fight choreography. International disabled circus artist Dergin Tokmak shared an online physical wheelchair based training practice with young people through Jackson's Lane digital commission. During 2020-21 Diverse City kept approximately 60 independent artists afloat to network, support, collaborate and survive with each other, with new collaborators, with sector partners and most importantly, so that they would be still in the game on 'the other side' of Covid.

#### **The creative case**

The Arts Council continues to recognise the responsibility that the charity takes for promoting and modelling the creative case: "Organisation and partners make an outstanding contribution to creative case and play a leading national role in supporting this agenda".

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##### **Representation**

Our commitment to the Creative Case became even more critical during the pandemic. During the year, 23% of all our workforce and at least 16% of independent artists identified as Deaf or disabled. We continue to work in particular towards equal representation across our annual creative programme across gender, ethnicity and disability - 51% women; 16% POC; 20% D/deaf & disabled people. However, we recognise that these binary divisions are actually increasingly blunt instruments to understand who we work with and whose stories we tell.

We have worked on the job of diversifying artistic voice through employment of a black senior producer, through diversification of recruitment panels, hosting artistic leadership opportunities to one Be It black leader and two from Women Leaders south west (ACE Transforming Leadership); We have also gained enormously from the Jerwood Creative Bursary Programme both through explicit engagement with an artistic leader from a low socio economic background and through learning around inclusion in governance and recruitment.

Our work is also centred upon supporting others to change whose voice is heard and who has power in the arts. Critical elements of this work have been our close partnership with Clore Leadership Days of Change programme, and our continued advocacy and action around Unexpected Leaders through our connecting communities project.

Our challenge now is the retention of diverse artists on and off stage. The consistent undervaluing and inaccessibility of arts education and training, means hiring skilled disabled performers in particular has always been a challenge. There are still not enough financially accessible, economically accessible, physically accessible training pathways available, so young people from more marginalised backgrounds are put off. That's now exacerbated by the sector's fragility during the pandemic – it's hard to start a career in an industry that you can see people are leaving and that you constantly hear is in a state of crisis. The combination of lack of new people coming through, and people leaving the sector is impacting off stage roles too. People made redundant have found other roles and those still working in theatre don't want to work the same hours as before, because the working conditions are worse and the money is less.

##### **Creative access**

Digital work presents different challenges and opportunities for Creative Access. We employed disabled consultants Karina Jones (actor and aerialist) and David Ellington (actor and film maker) to advise us on the creative options for access around *Human*. Unusually for Extraordinary bodies, we started with the audio for the show *Human* and benefited from a Cirque Bijou led workshop around Audio Description for circus artists. The sound design work embedded sound as a key creative shape for the show and the use of headsets as an integral part of the experience took root. The fact of having film on stage with a live show meant that we could begin to think more about embedding BSL interpretation in the film, thereby joining the on stage and onscreen worlds interaction with two modes of recorded performance.



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#### **Digital Stories**

*What do You See In Me?* offered a window into the homes of artists stuck in isolation: a snapshot of their creative lives off stage in separation. This then led naturally to the idea of artists' real-life stories becoming the content of a show, not solely a comment upon it. The times demanded that we find ways to communicate our shared humanity not our otherness and to witness people more often seen on the periphery of mainstream culture, living full, valuable and purposeful lives. Throughout the process of making work in the pandemic, filmmaker Stephen Lake recorded vast amounts of material with a view to a future documentary legacy project about Extraordinary Bodies in the Pandemic.

The digital footprint of the company is continuing to expand as we work with our venue partners and funding partners such as National Lottery on distributing insights into and examples of our work. We are now turning more confidently to digital as a means to articulate our purpose and pitch our work, bringing increased recognition of Diverse City and Extraordinary Bodies regionally and nationally.

#### **Aim 2: Reaching audiences and tracking impact**

During this period our live audiences were put on hold, but our total online audience reach (including Website unique users, total social media impressions, e-news users, video impressions) came to around 800,000 with created digital content reaching nearly 3,000 people, of which over 600 were of content produced by our youth ensemble. We now have 11,698 followers across all Extraordinary Bodies and Diverse City social media channels, 125,127 total online website visitors, 22,000 total online visits. Surveys of audiences for our digital work has shown a predominantly female audience that sits around the 25-44yrs age bracket. The analysis of audience data for BSL interpreted and audio described content is still in its infancy and there was an understandable reluctance for any audiences to complete online surveys during the pandemic across the board. However, we do know that for periods of hard lockdown and for anyone finding themselves to be clinically vulnerable, our digital output, free at the point of delivery, was always accessible to as wide a range of people as possible.

#### **Impact of community performance**

In September 2020, in the middle of the Covid-19 pandemic, Diverse City led an emergency, six-month, online community arts project: Connecting Communities supported by The National Lottery. Activities aimed to support communities through the crisis and we worked specifically with those significantly affected by the pandemic at risk from isolation, poverty or mental ill-health. In three different communities, from Plymouth, Poole and Rochdale, we ran 48 sessions with 38 elders, disabled people – including people who are learning disabled – and with people with lived experience of addiction, mental ill-health, and homelessness.

#### **Community Partners**

- **Theatre Royal Plymouth**, where we brought together two existing groups, Funky Llama and Our Space.
- **Skylight Circus Rochdale**, where we brought together their existing participant base who might not know each other, including elders, and disabled people.
- **Extraordinary Bodies Young Artists, Poole**, our Dorset-based integrated theatre and circus training company for young artists based at Lighthouse Poole.

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There were two key elements to Connecting Communities: Unexpected Leaders and Community Creative Development. Unexpected Leaders reported greater confidence in rising to new leadership challenges and are now taking next steps on their leadership journeys by connecting to initiatives such as Plymouth's Culture Plan and Rochdale's co-operative creative response to the pandemic. All groups experienced a massive shift in digital competence and connection. It has levelled up access to skills, hardware and the online world, creating more self-sufficient cohorts of people able to confidently get online independently in all areas of their lives.

The impact of community conversations and digital recordings was to influence the ideas and form for our new professional touring show, *Human*. The new community leadership we supported started to build momentum and word of mouth about the show on tour and seeded connections to develop through our next touring periods. When live work restarts, the show, plus community digital creative responses will return to their locale. As we all emerge from the crisis, this community journey will be marked by a celebration and public sharing of achievements. It will act as the model for further community connections in other locales building a new network of groups connected to each other, to us and to their local public cultural spaces.

#### **Impact of digital content**

This year we created and uploaded or distributed 23 new pieces of digital content all of which was BSL interpreted and captioned. Our artists explored audio description and we started new work on podcasts. Our inhouse producing and communications teams are now producing accessible digital content as standard. We also continued to slowly redesign our Diverse City website to increase the accessibility and functionality and we create new website pages for Extraordinary Bodies housing digital content.

#### **Aim 3: Building resilience**

Our resilience throughout this period was critical. We worked hard to shore up our 'bricks and mortar', our freelance artists, who were struggling to survive amidst immense shifts to their personal and professional lives. Throughout the period we employed over 120 freelancers including 60 independent disabled and non-disabled artists. Many were involved directly in creative projects as well as being part of developing key thinking behind the 7 principles for an inclusive recovery.

We employed John Kelly as Associate Artist to work closely on digital creative access, to advise on What Next? and in DCMS roundtables connecting him more to the sector. We also supported the national Freelance Task Force by employing Milton Lopes to participate: "FTF was very important for me because it helped me to connect with other artists and freelance workers from the whole UK. It helped me to understand different realities that exists within the country and insights of grass roots organisations."

Our key Extraordinary Bodies partner Cirque Bijou was disproportionately impacted by the pandemic, losing 95% of income in the immediate wake of the first lockdown. In order to secure our partnership long term, the charity helped to protect some of our partner business' core operation and in doing so helped support the specific challenges faced by circus artists. Cirque Bijou initiated Artists Unite (200 strong artists, Stage Managers, production managers and riggers) which reached approximately 70 people with multiple training and advice sessions across coaching, rigging, funding, digital and access. The pandemic, whilst devastating has brought the partnership together in new ways, to problem solve and to support. We are optimistic that the trust in our relationship has been strengthened and we are in a better place to make 'a new now' together.

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Arts Council England has recognised the charity's strong leadership provided by the executive team, supported by clear partnership arrangements, strong planning, good financial reporting to the engaged and supportive board upon which to base decision making. Although our ambitious programme has been challenged by complexities in partnership working and the need to test and map potential new strategies, the charity is strong. Our resilience is evidenced by clear and realistic forward planning, ongoing and increased commitment from national presenters and co-producers. Throughout the pandemic the team was quick to protect the collective wellbeing of its employees through granting furlough requests; modelling healthy working practice; providing workplace therapeutic supervision, hypnotherapy and wellness check-ins; and providing team care packages. Although some vacant posts have remained unfilled there were no redundancies to date. We put in place additional admin and IT troubleshooting support plus business, fundraising, HR and Covid safety expertise. Planned investment now focuses on bringing critical new capacity and energy into the team to sustain momentum and retain enthusiasm for our urgent movement for change. We cannot talk about 'post Covid' but we can instead perhaps talk about 'manageable Covid' and plan to include the range of modifications to our practice that will secure the work and minimise risk.

Investment from Paul Hamlyn Foundation More and Better Participation and Engagement fund enabled us to continue to employ producers throughout the period of uncertainty. This has meant that the creative explorations of our creative leadership were supported in new and stretching ways. These first forays into short filmmaking helped us to see the future potential of different ways of working with producers and creative teams. Much of the deeper practice around co-evaluation in communities and data analysis has been pushed back but plans are in place to activate this work as soon as we start to tour.

Throughout the pandemic we continued to offer substantial consultancy and training offers to the sector, reaching over 660 people through formal and informal advice sessions and conversation around equality and diversity. Although our ability to manage freelance trainers was curtailed, our core team continued to offer help and support running sessions for amongst others What Next?, for People Make it Work and for Arts Council England (Access support). The ongoing demand for help often outstrips our capacity to deliver and pull us away from the creative thrust of the work. We are now planning to embed training within our relationships with presenters of our work so that it runs alongside the touring programme.

We benefited from the placement of dance and cultural leader Ade Sowemimo (part of the Be It Cohort from Rising Arts) and we developed our thinking and practice around recruitment with Jerwood Arts as part of employing another dance creative fellow from their scheme. We also recruited two associates – a producer/community practitioners and a writer and podcaster from Women Leaders SW - The Point Eastleigh Women Transforming Leadership. Alongside we developed the framework for Inclusive Cultures with the Clore Transforming Leadership programme and worked with the School for Social Entrepreneurs as part of the same programme. The charity has continued to strengthen our employment practice to ensure that anti oppressive practice is at its heart and developed a suite of new contract templates with an HR consultant and updated all contracts.

Our artistic leadership were suddenly thrust into an intensive period of exploration of digital creative processes working with Knowle West Media Centre, biggerhouse film, Stephen Lake and Monika Jastrzebska. They continued and extended close working relationships with Hattie Naylor on Human and Waldo's (with Jamie Beddard), with Ted Barnes and Jonny Leitch on Human (with Claire Hodgson and Billy Alwen). Although the external opportunities that were on the horizon pre-pandemic were postponed, the whole team immersed themselves in a rich period of artistic development.

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#### **Aim 4: Offering experiences for children and young people**

##### **Extraordinary Bodies Young Artists**

Extraordinary Bodies Young Artists led the way in switching to online delivery, sustained innovation in creative practice online and were first to explore the potential of live and recorded digital streams to reach new audiences. Throughout lockdowns and restricted tiers, Extraordinary Bodies Young Artists have in essence, driven the creative work of the company. They shaped and determined what happened, they joined weekly zoom sessions in a mix peer led exercises and facilitated learning. Over the year we ran nearly 180 sessions with attendance from young people of over 830.

Individual members have also taken the lead in facilitation for peers online. They linked with a digital partner biggerhouse film, and very quickly produced original visual and audio work to share online: A choral work *This Town of Ours*, an online cabaret for Dorset Youth Showcase, new animated stories, digital podcasts, and Cultural Learning Content featuring Costume Designer Sophie Fretwell. Arts Award assessment dates were postponed, however assessment training continued and Diverse City is now able to deliver Bronze, Silver and Gold awards.

There were strong signs of progression despite the circumstances with Extraordinary Bodies Young Artists member Josh Ward auditioning successfully for a BFI film; Josh was also successful in being awarded a Bournemouth Emerging Arts Festival Commission and receiving mentoring through The Outsiders Project. Five individual applications were also made by members under BBC New Creatives training programme.

The Children and Young People's team continued to make a significant contribution to the cultural recovery for with and by young people in the region and nationally: they worked with Dorset Music Hub on their inclusion strategy, contributed significantly to What Next? Dorset (which has replaced Dorset Arts Together and CYP Hub for the foreseeable future), and engaged with Graeae, the Royal Court and Partners on 'The Next Big Idea' about inclusion in sector change led by young artists.

All digital creative offerings presented by the charity were family friendly and, although not specifically aimed at young people, the animation work related to Splash! led by Nikki Charlesworth has clear potential to be extended into a beautiful new work to share with families, children and schools.

#### **Fundraising**

Our fundraising efforts were focused primarily on emergency grants throughout this period. We started the process of investigating a supporter membership model and agreed a strong case for support for Extraordinary Bodies. We also updated our fundraising platform with a view to initiating wider fundraising campaigns both private and corporate in the future.

#### **Financial review**

2020-21 was Diverse City's third year as a charity and as an ACE NPO. The timing of our projected income and expenditure changed because of the COVID-19 pandemic. The effect this had on the activities and finances of the charity was as follows:

- The first stage of our three-year touring project was postponed with the 2020-21 leg of the tour of '*What am I Worth?*' cancelled with a loss or postponement of income from three venues and artists' fees for cancelled rehearsals and shows honoured;
- Training and consultancy activities were postponed, revised, or moved online where possible;
- Scheduled Associate Artist Consultant peer to peer CPD sessions were cancelled with artists' fees honoured; and
- The direct losses associated with COVID-19 were £89k. In addition to this, there was a loss of fundraising opportunities of £15k and estimated loss of training and consultancy income of £15k.

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The charity took the following steps in 2020-21 to mitigate the threats that COVID-19 posed to the organisation:

- Overheads were reviewed and non-essential items removed with a saving of £34k;
- Staff members were furloughed and claims made via the government Job Retention Scheme. The income received was £30k in this financial year; and
- Emergency funds totalling £424k were received from the Arts Council of England, the Cultural Recovery Fund, the Esmée Fairbairn Foundation, and the National Lottery Coronavirus Community Support Fund.

The funds received:

- Supported online community engagement work in locations where the tour had been due to visit (National Lottery Coronavirus Community Support Fund);
- Enabled four pieces of digital work – Digi-Tales – to be commissioned, providing work for freelancers (ACE Emergency Fund);
- Reimbursed some of the losses incurred due to COVID and allowed rehearsal money for the Human show to be ringfenced (ACE Emergency Fund and Esmée Fairbairn); and
- Supported fundraising, business planning, making of a digital version of the Human show, digital/audio development of Mid Life and Delicate productions and enabled performances to restart in a COVID-safe way in the autumn of 2021 (Cultural Recovery Funds).

In addition to this we forged ahead with the creative development of our major new production Waldo's Circus of Magic and Terror.

The principal funding source for the charity was grant income from the Arts Council of England, Emergency Funds and Trusts and Foundations. A successful four year bid (in 2019-20) to the Paul Hamlyn Foundation supported the investment in staff and producer support. Grant income supports the charity's objects of 'the promotion of equality and diversity and of social inclusion for the public benefit through: the provision and promotion of the arts, workshops, training programmes and coaching; the advancement of education in the arts and raising awareness in equality and diversity; and the widening of participation in performing arts'. Grant income was supplemented by income generated from the charity's sector training and consultancy services.

In 2020-21 income increased by approx. £656k compared to the previous year. This was due to Emergency Funds of £424k, the first instalment of an ACE Project of National Importance Grant supporting Touring Diverse Led Circus of £358k, a full year grant from Paul Hamlyn Foundation (this started halfway through 2019-20), a partnership with the Clore Leadership Programme £15k, Job Retention Scheme £30k and Theatre Tax Relief of £47k. These increases were offset by lower partnership and performance income, donations, and income from the government access to work scheme. However, £190k of the decreases were due to 2019-20 including income from a partnership with The Mighty Creatives creating and touring the Splash! show.

The year-on-year expenditure decrease of £200k related to reduced project activity (and Splash! expenditure forming a large part of the 2019-20 expenditure) offset by increased overhead expenditure that resulted from additional consultancy, business and covid planning funded by the Cultural Recovery Fund.

The position at the end of the year was an increase in funds of £835k.

## **Diverse City**

### **Report of the trustees**

#### **For the year ended 31 March 2021**

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The charity maintains a risk register identifying risks, analysing potential impact and recording actions to mitigate them, reviewed regularly at Trustees' meetings. At the end of the year this risk register was revised to include specific risks associated with the global pandemic. Existing identified, financial risks are potential for unsuccessful funding bids, inadequate reserves and cashflow. The Charity takes the following actions to mitigate these risks: to develop a long-term funding strategy, employ independent fundraising advisors, provide internal fundraising training, and develop good relationships with new funders. Trustees have created a reserves policy that aims to build a reserve equivalent to 4 months overheads expenditure over a period of 4 years. Trustees track cashflow and forecasts on a regular basis are produced to highlight any potential low points and plan for this.

#### **The review of the reserves**

The total funds held by the charity at the end of the reporting period was £1.1m. The breakdown of the funds were as follows:

- Restricted funds £378k – where the donor has specified the funds are to be spent on a particular activity. The funds relate to the ACE Project of National Importance Grant that supports Touring Diverse Led Circus £345k, Women Leaders South West Transforming Leadership initiative £27k, Splash! £5k and Children and Young People's Arts Awards scheme £1k;
- Designated access/rehearsals £50k – Extraordinary Bodies show 'Human' rehearsal fund;
- Designated project activity funds £414k – designated to support creative activity relating to Waldo's Circus, Children and Young People activities, Delicate research and development, Digital commissions, Community Evaluation and Producer Support;
- Designated Cultural Recovery Fund £54k – supporting restarting artistic activity in Autumn 21;
- Designated organisational support fund £77k - designated to support essential organisational expenditure in 21-22; and
- General reserves £105k – this is in line with the reserves policy where there is a commitment to increase reserves by £30k per year to support the long-term resilience of the charity. The aim is to achieve 4 months overheads buffer. This is tracking as planned.

#### **Fundraising**

In 2020-21 the majority of fundraising activity has been managed in-house by our senior management team and, in particular, by our Executive Director. Through the Cultural Recovery Fund we have been able to explore additional ways of fundraising to reduce our financial risk and reliance upon grant funding. We engaged the services of Lottie Donovan and Critical Math to support research into individual giving and targeted sponsorship.

Diverse City has voluntarily subscribed to the Fundraising Regulator.

No complaints have been received by the charity or by a person acting on our behalf for the purposes of fundraising about fundraising activity.

The charity is registered with the ICO, has an up-to-date, GDPR compliant privacy policy and regularly reviewed procedures. The charity follows the Fundraising Regulator's Code of Practice and fundraising activity does not include asks to an individual person unless they have explicitly consented to be contacted for this purpose. General asks for individual donations are currently limited to once per year through a Crowdfunder for our work with Children and Young People or through specific, identified fundraising events.

## **Diverse City**

### **Report of the trustees**

#### **For the year ended 31 March 2021**

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##### **Going concern**

The trustees consider that the charity will continue as a going concern for a period of at least twelve months from the date on which these financial statements are approved for the following reasons:

- The subsidy for the touring programme has been received from the Arts Council and ringfenced until Autumn 21 when touring restarts;
- The charity holds reserves of £1.1m at the end of 2020-21. This consists of restricted funds of £378k, designated funds of £594k and general reserves of £105k (approx. 2.5 months running costs);
- The budget for 2021-22 includes income targets of £1.3m, 87% of this income is already confirmed. The funds forecast at the end of March 22 are £887k (restricted £490k, designated £259k, general £138k);
- The net cash reserves forecast at the end of March 22 are £932k (restricted £511k, designated £283k, general £138k); and
- The charity has no debt.

The trustees therefore consider it appropriate to adopt the going concern basis for the preparation of the accounts, as detailed in note 1(b) to the financial statements.

##### **Plans for future periods**

At the time of writing, our future direction, articulated in our 2018-22 business plan, is in flux. In 2020-2021 our aim was to deliver the third year of this Business Plan, aligning our people, partnerships and projects with our aim of dismantling systemic inequality through cultural practice.

Our objective was to initiate our three-year touring project to take challenging diverse led circus on tour nationally. Alongside, we planned to develop deep, engaged and meaningful creative relationships with 7 communities to both inform and enrich our work and our relationships.

Following the successful result of the Cultural Recovery fund bid, we are confident that we will be in a position to reshape our offer to our 7 national venues and embark on an exciting, innovative and engaged new period of activity.

Our relationships with artists alongside our exploration of new digital possibilities mean that our potential national reach is set to grow in ways that strengthen our ambition to include everyone in our work. We are encouraged by the reality of recovery and rebuilding in ways that place diversity and equality as a cornerstone of our cultural life.

We can see new possibilities and new partnerships that could help us to celebrate and advocate for equality and diversity in the arts, and to scope out even more impactful models of national training and consultancy both online and in real life.

Our Children and Young People's programme has proven itself to be a critical laboratory of experimentation. Extraordinary Bodies Young Artists continues to be an invaluable test bed for excellent practice in challenging times. The learning from the young artists ripples out through the company and informs our thinking around co creation, artforms and leadership. Their place in the company and in the youth arts landscape has become even more vital as we start to understand the consequences of this crisis not just for tomorrow but for future generations of diverse artists.

## **Diverse City**

### **Report of the trustees**

#### **For the year ended 31 March 2021**

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COVID-19 has stress tested our financial and operational systems and we have found that the robust foundations of the company have helped us meet the challenges of multiple funding applications and scenario planning periods over the last 6 months. The senior management of the charity has been stretched in terms of managing the unexpected change and uncertainty and despite desperate losses, our collaboration with Cirque Bijou has proved to be a strength in terms of our capacity to withstand current pressures, providing as it does a strong group of resilient and experienced arts managers and entrepreneurs.

We will continue to allocate resources to drive fundraising and ensure that we move forward in as sound, efficient and financially responsible way as possible. This is a time to be brave, to follow our vision and to lead the sector in creating the conditions for meet the future.

It is hard to think longer term in these times, but ultimately our charity's aim is to increase creative output, grow our reach and build our influence so that the rebuilding of our cultural sector is founded on values of justice and inclusion; on anti-oppressive practice, on generosity and multiplicity. We are undaunted in our mission to create and remount work. We are confident in the shows we have made in the past, we know that their relevance has increased over the last 12 months. Existing partnerships will forge the spine of new, national, intersecting relationships and we believe that new partners will emerge to co-produce and champion our ethos and artists. We will continue to experiment with creative access and community engagement as an integral element of our aesthetic and ethos; and we will expand and grow our youth ensemble so that its reach goes beyond Dorset to ensure our next generation of artists can influence not just the youth performing arts sector, but the mainstream beyond the south west.

#### **Statement of responsibilities of the trustees**

The trustees (who are also 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 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).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing those 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;
- make judgements and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees 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.



## **Diverse City**

### **Report of the trustees**

#### **For the year ended 31 March 2021**

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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.

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

#### **Auditors**

Godfrey Wilson Limited were appointed as auditors to the charitable company during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 23 November 2021 and signed on their behalf by

*G.T.Devlin*

Graham Devlin - Trustee

## **Independent auditors' report**

### **To the members of**

#### **Diverse City**

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#### **Opinion**

We have audited the financial statements of Diverse City (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its 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.

#### **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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

## **Independent auditors' report**

### **To the members of**

#### **Diverse City**

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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; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

#### **Other matter**

The financial statements for the year ended 31 March 2020 were not audited because the charity was below the statutory audit threshold.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

#### **Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees 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 they 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

## **Independent auditors' report**

### **To the members of**

#### **Diverse City**

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#### **Our 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 procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

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

## **Independent auditors' report**

### **To the members of**

#### **Diverse City**

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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](http://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 charity'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 charity'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 charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Alison Godfrey*

Date: 25 October 2021

**Alison Godfrey FCA**  
**(Senior Statutory Auditor)**

For and on behalf of:

**GODFREY WILSON LIMITED**

Chartered accountants and statutory auditors  
5th Floor Mariner House  
62 Prince Street  
Bristol  
BS1 4QD

## Diverse City

### Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

	Note	Restricted £	Unrestricted £	2021 Total £	2020 Total £
<b>Income from:</b>					
Donations		-	37,282	<b>37,282</b>	27,890
Charitable activities	3	426,515	1,042,576	<b>1,469,091</b>	834,720
Other trading activities	4	-	31,602	<b>31,602</b>	18,440
Investment income		-	298	<b>298</b>	764
<b>Total income</b>		<u>426,515</u>	<u>1,111,758</u>	<u><b>1,538,273</b></u>	<u>881,814</u>
<b>Expenditure on:</b>					
Raising funds		-	109,543	<b>109,543</b>	96,295
Charitable activities		<u>57,380</u>	<u>536,580</u>	<u><b>593,960</b></u>	<u>814,712</u>
<b>Total expenditure</b>	6	<u>57,380</u>	<u>646,123</u>	<u><b>703,503</b></u>	<u>911,007</u>
<b>Net income / (expenditure)</b>		369,135	465,635	<b>834,770</b>	(29,193)
Transfers between funds		-	-	-	-
<b>Net movement in funds</b>	7	369,135	465,635	<b>834,770</b>	(29,193)
<b>Reconciliation of funds:</b>					
Total funds brought forward		<u>9,138</u>	<u>234,177</u>	<u><b>243,315</b></u>	<u>272,508</u>
<b>Total funds carried forward</b>		<u><u>378,273</u></u>	<u><u>699,812</u></u>	<u><u><b>1,078,085</b></u></u>	<u><u>243,315</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 15 to the accounts.

**Diverse City****Balance sheet****As at 31 March 2021**

	Note	£	2021 £	2020 £
<b>Fixed assets</b>				
Tangible assets	11		<b>3,084</b>	2,937
<b>Current assets</b>				
Debtors	12	<b>78,694</b>		10,090
Cash at bank and in hand		<b>1,028,215</b>		282,902
		<b>1,106,909</b>		292,992
<b>Liabilities</b>				
Creditors: amounts falling due within 1 year	13	<b>(31,908)</b>		(52,614)
<b>Net current assets</b>			<b>1,075,001</b>	240,378
<b>Net assets</b>	14		<b>1,078,085</b>	243,315
<b>Funds</b>	15			
Restricted funds			<b>378,273</b>	9,138
Unrestricted funds				
Designated funds			<b>594,740</b>	159,105
General funds			<b>105,072</b>	75,072
<b>Total charity funds</b>			<b>1,078,085</b>	243,315

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 23 November 2021 and signed on their behalf by

*G.T. Devlin*

Graham Devlin - Trustee

**Diverse City****Statement of cash flows****For the year ended 31 March 2021**

	<b>2021</b> £	2020 £
<b>Cash used in operating activities:</b>		
<b>Net movement in funds</b>	<b>834,770</b>	(29,193)
Adjustments for:		
Depreciation charges	<b>1,122</b>	1,023
Dividends, interest and rents from investments	<b>(298)</b>	(764)
Decrease / (increase) in debtors	<b>(68,604)</b>	(7,395)
Increase / (decrease) in creditors	<b>(20,706)</b>	33,162
<b>Net cash provided by / (used in) operating activities</b>	<b>746,284</b>	(3,167)
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	<b>298</b>	764
Purchase of tangible fixed assets	<b>(1,269)</b>	(1,161)
<b>Net cash provided used in investing activities</b>	<b>(971)</b>	(397)
<b>Increase / (decrease) in cash and cash equivalents in the year</b>	<b>745,313</b>	(3,564)
Cash and cash equivalents at the beginning of the year	<b>282,902</b>	286,466
<b>Cash and cash equivalents at the end of the year</b>	<b>1,028,215</b>	282,902



## **Diverse City**

### **Notes to the financial statements**

**For the year ended 31 March 2021**

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#### **1. Accounting policies**

##### **a) Basis of preparation**

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

Diverse City 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 note.

##### **b) Going concern basis of accounting**

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. The trustees have considered the impact of the COVID pandemic on the charity's current and future financial position. The charity holds general reserves which are unrestricted, "Building Resilience" reserves of £105k (equivalent to approx 2.5 months' running costs). In addition to this, the charity has further designated funds of £594k that can be drawn down if necessary. £1,028k of the charity's net assets were held as cash at the year end. The trustees therefore consider that the charity has sufficient unrestricted reserves and cash flow to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved. For this reason, the accounts have been prepared on the going concern basis.

##### **c) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the 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 received in advance of provision of training and consultancy is deferred until criteria for income recognition are met.

##### **d) 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 the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

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 or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

## Diverse City

### Notes to the financial statements

For the year ended 31 March 2021

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#### 1. Accounting policies (continued)

##### e) Interest receivable

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

##### f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

##### g) Expenditure and irrecoverable VAT

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.

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

##### h) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on the following basis, being the proportion of total costs:

	2021	2020
Raising funds	15.6%	10.6%
Charitable activities	84.4%	89.4%

##### i) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Computer equipment	4 years straight line
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Items of equipment are capitalised where the purchase price exceeds £1,000.

##### j) Debtors

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

##### k) Cash at bank and in hand

Cash at bank and cash 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.

Notes to the financial statements

For the year ended 31 March 2021

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**1. Accounting policies (continued)**

**l) Creditors**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**m) Financial instruments**

The charitable company 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 recognised at amortised cost using the effective interest method.

**n) Grants payable**

Grants payable are recognised in the year in which the offer is conveyed to the recipient, except in those cases where the offer is conditional, such grants being recognised in expenditure when the conditions attached to the grant have been fulfilled.

**o) Pension costs**

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

**p) Foreign currency transactions**

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

**q) Accounting estimates and key judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

**Depreciation**

As described in note 1i to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

**Diverse City**

**Notes to the financial statements**

**For the year ended 31 March 2021**

**2. Prior period comparative: statement of financial activities**

	Restricted £	Unrestricted £	2020 Total £
<b>Income from:</b>			
Donations	-	27,890	27,890
Charitable activities	204,137	630,583	834,720
Other trading activities	-	18,440	18,440
Investments	-	764	764
<b>Total income</b>	<b>204,137</b>	<b>677,677</b>	<b>881,814</b>
<b>Expenditure on:</b>			
Raising funds	-	96,295	96,295
Charitable activities	219,362	595,350	814,712
<b>Total expenditure</b>	<b>219,362</b>	<b>691,645</b>	<b>911,007</b>
<b>Net income / (expenditure) and net movement in funds</b>	<b>(15,225)</b>	<b>(13,968)</b>	<b>(29,193)</b>

**3. Income from charitable activities**

	Restricted £	Unrestricted £	2021 Total £
Grants	426,515	993,263	<b>1,419,778</b>
Theatre tax relief	-	46,955	<b>46,955</b>
Other income	-	2,358	<b>2,358</b>
<b>Total income from charitable activities</b>	<b>426,515</b>	<b>1,042,576</b>	<b>1,469,091</b>

**Prior period comparative:**

	Restricted £	Unrestricted £	2020 Total £
Grants	189,732	605,398	795,130
Access to work income	14,405	4,246	18,651
Other income	-	20,939	20,939
<b>Total income from charitable activities</b>	<b>204,137</b>	<b>630,583</b>	<b>834,720</b>

## Diverse City

### Notes to the financial statements

For the year ended 31 March 2021

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#### 4. Income from other trading activities

	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Training and consultancy	-	31,602	31,602	18,440
<b>Total income from other trading activities</b>	<b>-</b>	<b>31,602</b>	<b>31,602</b>	<b>18,440</b>

The total income from other trading activities in 2020 was unrestricted.

#### 5. Government grants

The charitable company receives government grants, defined as funding from Arts Council England, Local Authorities, CJRS and the National Lottery Community Fund to fund charitable activities. The total value of such grants in the year ending 31 March 2021 was £1,314,861 (2020: £493,960). There are no unfulfilled conditions or contingencies attaching to these grants.

## Diverse City

### Notes to the financial statements

For the year ended 31 March 2021

#### 6. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2021 Total £
Fundraising	9,190	-	-	9,190
Project costs	-	159,272	-	159,272
Grants payable (note 10)	-	129,686	-	129,686
Staff costs (note 8)	69,771	120,320	133,797	323,888
Freelance	2,433	32,049	8,262	42,744
Staff training	-	-	1,718	1,718
Travel and subsistence	-	-	301	301
Insurance	-	-	3,673	3,673
Subscriptions	-	-	1,912	1,912
Other administrative costs	-	-	8,214	8,214
Accountancy	-	-	6,541	6,541
Legal and professional fees	-	-	11,190	11,190
IT / design	-	-	4,052	4,052
Depreciation	-	-	1,122	1,122
<b>Sub-total</b>	<b>81,394</b>	<b>441,327</b>	<b>180,782</b>	<b>703,503</b>
Allocation of support and governance costs	28,149	152,633	(180,782)	-
<b>Total expenditure</b>	<b>109,543</b>	<b>593,960</b>	<b>-</b>	<b>703,503</b>

Total governance costs were £6,555 (2020: £2,180).

**Diverse City****Notes to the financial statements****For the year ended 31 March 2021****6. Total expenditure (continued)****Prior period comparative:**

	Raising funds £	Charitable activities £	Support and governance costs £	2020 Total £
Fundraising	784	-	-	784
Project costs	-	371,740	-	371,740
Grants payable (note 10)	-	138,652	-	138,652
Staff costs (note 8)	71,673	137,591	121,236	330,500
Freelance	6,175	17,290	1,235	24,700
Staff training	-	-	5,257	5,257
Travel and subsistence	-	-	10,140	10,140
Insurance	-	-	1,262	1,262
Subscriptions	-	-	1,831	1,831
Other administrative costs	-	-	7,752	7,752
Accountancy	-	-	1,620	1,620
Legal and professional fees	-	-	8,445	8,445
IT / design	-	-	7,301	7,301
Depreciation	-	-	1,023	1,023
<b>Sub-total</b>	<b>78,632</b>	<b>665,273</b>	<b>167,102</b>	<b>911,007</b>
Allocation of support and governance costs	17,663	149,439	(167,102)	-
<b>Total expenditure</b>	<b>96,295</b>	<b>814,712</b>	<b>-</b>	<b>911,007</b>

## Diverse City

### Notes to the financial statements

#### For the year ended 31 March 2021

##### 7. Net movement in funds

This is stated after charging:

	2021 £	2020 £
Depreciation	1,122	1,023
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	127
Auditors' / independent examiners' remuneration:		
▪ Audit	5,400	-
▪ Independent examination	-	1,620
▪ Other services	701	-

No trustees were reimbursed for expenses during the year (2020: 1 trustee reimbursed for travel expenses).

##### 8. Staff costs and numbers

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	295,245	300,585
Social security costs	22,111	23,272
Pension costs	6,532	6,643
Subtotal	323,888	330,500
Freelance staff	42,744	24,700
	366,632	355,200

No employee earned more than £60,000 during the year.

The key management personnel of the charitable company comprise the trustees, Artistic Directors, Executive Director and Finance Manager. The total employee benefits of the key management personnel were £183,419 (2020: £150,902).

	2021 No.	2020 No.
Average head count	14.5	13.5
Average FTE	9.2	8.9

##### 9. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.



## Diverse City

### Notes to the financial statements

For the year ended 31 March 2021

#### 10. Grants payable

	2021 £	2020 £
Grants to institutions:		
Cirque Bijou	123,684	137,983
Grants to individuals	<u>6,002</u>	<u>669</u>
<b>Total grants awarded</b>	<b><u>129,686</u></b>	<b><u>138,652</u></b>

There are no support costs incurred which directly relate to grants payable.

Grants awarded to Cirque Bijou are in relation to their joint project Extraordinary Bodies which is funded by Arts Council England.

#### 11. Tangible fixed assets

	Computer equipment £
<b>Cost</b>	
At 1 April 2020	4,383
Additions in year	<u>1,269</u>
At 31 March 2021	<b><u>5,652</u></b>
<b>Depreciation</b>	
At 1 April 2020	1,446
Charge for the year	<u>1,122</u>
At 31 March 2021	<b><u>2,568</u></b>
<b>Net book value</b>	
<b>At 31 March 2021</b>	<b><u>3,084</u></b>
At 31 March 2020	<u>2,937</u>

#### 12. Debtors

	2021 £	2020 £
Trade debtors	29,582	10,090
Other debtors	<u>49,112</u>	<u>-</u>
	<b><u>78,694</u></b>	<b><u>10,090</u></b>

Diverse City

Notes to the financial statements

For the year ended 31 March 2021

13. Creditors: amounts due within 1 year

	2021 £	2020 £
Trade creditors	26,508	50,994
Accruals	5,400	1,620
	<b>31,908</b>	<b>52,614</b>

14. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	3,084	3,084
Current assets	387,721	594,740	124,448	1,106,909
Current liabilities	(9,448)	-	(22,460)	(31,908)
<b>Net assets at 31 March 2021</b>	<b>378,273</b>	<b>594,740</b>	<b>105,072</b>	<b>1,078,085</b>
	Restricted funds £	Designated funds £	General funds £	Total funds £
<b>Prior period comparative</b>				
Tangible fixed assets	-	-	2,937	2,937
Current assets	9,807	208,113	75,072	292,992
Current liabilities	(669)	(49,008)	(2,937)	(52,614)
<b>Net assets at 31 March 2020</b>	<b>9,138</b>	<b>159,105</b>	<b>75,072</b>	<b>243,315</b>

## Diverse City

### Notes to the financial statements

For the year ended 31 March 2021

#### 15. Movements in funds

	At 1 April 2020 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2021 £
<b>Restricted funds</b>					
Women leaders South West	-	27,220	-	-	<b>27,220</b>
Children and young people	-	1,200	-	-	<b>1,200</b>
Community engagement	-	39,813	(39,688)	-	<b>125</b>
Doing things differently	1,371	-	(1,371)	-	<b>-</b>
Touring diverse led circus	-	358,282	(13,579)	-	<b>344,703</b>
Splash!	7,767	-	(2,742)	-	<b>5,025</b>
<b>Total restricted funds</b>	<b>9,138</b>	<b>426,515</b>	<b>(57,380)</b>	<b>-</b>	<b>378,273</b>
<b>Unrestricted funds</b>					
<i>Designated funds:</i>					
Designated access/rehearsals	39,238	12,386	(4,190)	2,967	<b>50,401</b>
Designated project funds	46,228	627,968	(283,046)	22,570	<b>413,720</b>
Organisational support	73,639	313,961	(285,181)	(25,537)	<b>76,882</b>
Cultural recovery fund	-	127,443	(73,706)	-	<b>53,737</b>
<i>Total designated funds</i>	<b>159,105</b>	<b>1,081,758</b>	<b>(646,123)</b>	<b>-</b>	<b>594,740</b>
General funds	75,072	30,000	-	-	<b>105,072</b>
<b>Total unrestricted funds</b>	<b>234,177</b>	<b>1,111,758</b>	<b>(646,123)</b>	<b>-</b>	<b>699,812</b>
<b>Total funds</b>	<b>243,315</b>	<b>1,538,273</b>	<b>(703,503)</b>	<b>-</b>	<b>1,078,085</b>

#### Purposes of restricted funds

##### Women leaders South West

The funds relate to the Women Leaders South West initiative which is a Transforming Leadership project run in partnership with Eastleigh Borough Council.

##### Children and young people

The funds relate to income received specifically for the Children and Young People initiative from the Dorset Community Fund and the Arts Award scheme.

##### Community engagement

The small balance relates to the remaining expenditure from a National Lottery Coronavirus Support grant of £39.8k received during the year.

##### Doing Things Differently

The funds relate to the Doing things Differently initiative which is a training project run in partnership with Bristol City Council. These funds were spent in 2020-2021.

## Diverse City

### Notes to the financial statements

#### For the year ended 31 March 2021

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#### 15. Movements in funds (continued)

##### **Purposes of restricted funds**

###### Touring diverse led circus

The reserves of £344k relate to a Project of National Importance grant received from the Arts Council of England. These funds were received to support a three year touring programme in partnership with seven theatre venues. The touring programme was delayed due to Covid and resumed in September 2021.

###### Splash!

The funds received were granted from The Mighty Creatives to fund the Splash! Production.

##### **Purposes of designated funds**

###### Designated access/rehearsals

The access/rehearsal reserves are designated for rehearsals and access support costs for the Extraordinary Bodies show Human which tours in Autumn 21.

###### Designated project funds

The project reserves relate to funds that have been allocated to specific activities in line with organisational budgets. A transfer was made to general reserves to cover the element of core salaries and overheads that were budgeted within projects.

###### Organisational support

The organisation support reserves were designated to support essential organisational expenditure including salaries and infrastructure costs.

###### Cultural recovery fund

The funds relate to the remaining expenditure from grants received for the Cultural Recovery Fund. These funds are to support restarting artistic activity which continues into the next financial year.

##### **General funds**

The general reserves support building resilience and amount to approx 2.5 months' running costs (£105k). The target for general reserves is to hold four months' running costs which is approx £160k. This falls short of the target by £55k.

## Diverse City

### Notes to the financial statements

For the year ended 31 March 2021

#### 15. Movements in funds (continued)

##### Prior period comparative

	At 1 April 2019 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2020 £
<b>Restricted funds</b>					
Business to Business training	-	1,500	(1,500)	-	-
Children and young people	2,032	-	(2,032)	-	-
Doing things differently	6,209	-	(4,838)	-	1,371
Delicate	(1,000)	1,000	-	-	-
Splash!	31,082	187,677	(210,992)	-	7,767
Elevate	(13,960)	13,960	-	-	-
<b>Total restricted funds</b>	<b>24,363</b>	<b>204,137</b>	<b>(219,362)</b>	<b>-</b>	<b>9,138</b>
<b>Unrestricted funds</b>					
<i>Designated funds:</i>					
Designated access/rehearsals	-	45,413	(5,020)	(1,155)	39,238
Designated project funds	78,152	155,992	(241,025)	53,109	46,228
Designated organisational support	-	-	-	73,639	73,639
Building resilience	45,072	-	-	(45,072)	-
<i>Total designated funds</i>	<i>123,224</i>	<i>201,405</i>	<i>(246,045)</i>	<i>80,521</i>	<i>159,105</i>
General funds	124,921	476,272	(445,600)	(80,521)	75,072
<b>Total unrestricted funds</b>	<b>248,145</b>	<b>677,677</b>	<b>(691,645)</b>	<b>-</b>	<b>234,177</b>
<b>Total funds</b>	<b>272,508</b>	<b>881,814</b>	<b>(911,007)</b>	<b>-</b>	<b>243,315</b>

#### 16. Related party transactions

D Young, a trustee, provided training sessions and workshops as an artist and received total payment of £340 (2020: £2,447). The transactions were carried out at arm's length.