

Company no. 6004929
Charity no. 1176855

Diverse City
Report and Audited Financial Statements
31 March 2022

Diverse City

Reference and administrative details

For the year ended 31 March 2022

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 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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Report of the trustees

For the year ended 31 March 2022

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. In the year 2021-22 the company had a board of nine trustees and was governed by our Articles of Association, adopted by a special resolution dated 22 December 2017.

Trustees are recruited by invitation, through specialist agencies and by open call-out by the board, in collaboration with the Senior Management Team (SMT). Trustees are appointed according to identified skill gaps and in line with targets around representation and equality. Trustees meet quarterly to review progress against targets, the risk register and quarterly management accounts.

Trustees are inducted into the company through meetings with the SMT and the Chair of Trustees. From time to time trustees are invited to action groups to deepen their oversight and to view work both in development and in performance throughout the year. The board has an annual away day to examine the company's strategic plans.

The SMT is responsible for the management of the charity and comprises two joint Artistic Directors, an Executive Director and a Finance Director, who all report to the board. The SMT is responsible for strategic artistic, financial and organisational delivery of the four-year business plan. Financial management is led by the Executive Director and Finance Director.

The Co-Artistic Directors, Claire Hodgson and Jamie Beddard, hold Diverse City's artistic leadership. 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 2021-22 Diverse City operated a distributed core company team of 13 people (largely on part-time contracts). We do not have permanent volunteer staff. Our extended team normally comprises 100-125 freelance professional performers and producers, plus a regular, integrated youth ensemble called Extraordinary Bodies Young Artists (EBYA) for 16-30-year-olds, with annual and seasonal membership.

Distributed sub-teams deliver each strategic area of activity (artistic creation, children and young people (CYP), marketing and communications, community), with delegated responsibilities for partnership development and tactical planning. Teams are stewarded and supported by the SMT alongside their peers. Covid restrictions in 2021 meant that interactions were mainly online, supported by a transparent and shared online 'office' with short, online, whole-company 'sprints'. Creative work moved to in-person in 2021 and we eventually met as an 'almost' whole company face to face during the national tour of *Human*.

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The charity is active in many new and established networks: What Next?; Ramps on the Moon; Unlimited; Change Creation; National Portfolio (NPO) cohort; Transforming Leadership; Jerwood Creative Fellowships; Women Leaders South-West Plus Festival; and touring and commercial networks. Claire Hodgson has sat on the Arts Council England (ACE) South-West Regional Council since 2013; Jamie Beddard and Claire Hodgson are on the 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 Theatre Royal Plymouth, Bristol Old Vic and New Wolsey, Ipswich.

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

Extraordinary Bodies is the charity's key partnership and a collaboration with Cirque Bijou Ltd. The partnership emerged out of our work together for the 2012 Olympics and is governed by a collaboration agreement reviewed annually. The charity is also a 'leading light' of Lighthouse Poole and an associate company of 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. The charity aims to reduce the differentials between the top and bottom pay rates in the company.

Objectives and activities

The charity's objectives

Our objectives are:

- to promote equality and diversity for the public benefit, including (but not limited to) those with physical impairments, learning disabilities and others experiencing barriers to learning, development and inclusion, by (but not limited to):
 - the provision and promotion of the arts (including by promoting the widening of participation in (but not limited to) the performing arts);
 - the provision of workshops, training programmes and coaching in the arts, in particular (but not limited to) the performing arts; and
 - the advancement of education in the arts and raising awareness in equality and diversity.
- to promote social inclusion for the public benefit, in particular (but not limited to) among individuals who are socially excluded from society, or part of society, as a result of their social position, in particular (but without limitation) through the promotion of performing arts, including widening participation in performing arts.

How the charity's aims further its legal purposes

Diverse City is founded on the values of collaboration, justice, creativity and optimism; our vision is a healthy, just and civil society for all. Our inclusive public performing arts practice widens participation in the arts and society, including by children and young people, and trains and promotes talented, diverse, independent artists.

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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;
- to identify, support and employ new and underrepresented performing arts talent on and off stage;
- to include the participation of diverse civic artists in the places where we perform, alongside the shows; and
- to lead a youth ensemble that exemplifies and paves the way for inclusive performing arts training.

We want to see everyone – those on and off stage and those in the audience – participating in the telling of stories with universal resonance, within diverse, activated and connected communities.

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, commissions offered, 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 through use of the Culture Counts Impact and Insight toolkit, and we investigate the demographic of audiences through Audience Finder surveys. From time to time we employ audience data analysts to create a more detailed picture of the audiences we are attracting to the work. We capture the progress made by artists and young people, through our company and beyond, by monitoring skill development, career progression and additional training pathways.

We judge success on the impact and reach of our work through robust evaluation frameworks for all activity, using self and peer assessment of personal and professional change brought about by our work.

How our activities helped us achieve our aims and objectives

Significant activities during this period were the creation and premiere of a new touring show, *Human*, which launched a three-year ACE-funded Project of National Importance: 'Touring Diverse Led Circus'. The show allowed a significant experiment with integrated digital creative audience access, to ensure BSL, captioning and audio description were available to all audiences for all shows. We evolved our relationships with touring partners and focused on our longer-term business planning in the lead-up to our next ACE NPO application. Supported by National Lottery emergency funds, we also worked with three different communities nationally, to build rapport and connection between shows touring to their towns and cities and local groups.

We also forged ahead with further development of two new touring shows, *Delicate* and *Waldo's Circus of Magic and Terror*, including new co-producing relationships with Theatre Royal Plymouth, Bristol Old Vic and Nordland Visual Theatre. We extended and refined small-scale digital artist commissions linked to *Delicate*, *Mid Life* and *Splash!*, seeded in 2020.

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Our integrated young company ensemble performed its new show *Till We Win* at Lighthouse Poole in May 2021, with a premiere at For/With/By European Festival of Youth Theatre in July 2021 at Birmingham Rep, and then to a public audience at Lighthouse Poole, alongside performances of *Human* in autumn 2022. The company continued to support several members into further creative training, employment and career opportunities.

How the charity delivers public benefit

The charity delivers public benefit by mitigating barriers to engagement and participation in the performing arts and by 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.

Our goals

In the wake of the pandemic and in a world that changed around us, 2021-22 was about testing how we could be an essential part of a cultural restart with inclusion at its heart. We wanted to ask the right questions to understand the new context and where the risks lay for our charity in the time of Covid.

Our goals were to return to our reconfigured 2018-22 business plan – 'Unlikely Alliances' – and to explore artistic form in new work, rebuild audience connection and nurture new partners and collaborators. We aimed to restart an investigation into building long-term touring relationships with people and places. Our goal was to get our collaboration with seven 'pandemic-bruised' venues underway by launching our three-year, ACE-funded, strategic Project of National Importance, 'Touring Diverse Led Circus'. The project runs alongside our Paul Hamlyn Foundation Access and Participation Funded project 'Co-producing mainstream theatre partnerships to achieve equality in the arts' and our new National Lottery project 'Connecting Communities through Diverse leadership'.

In 2021-22 we also aimed to align our plans with the ACE investment principles, and to establish a process of review and evaluation to monitor how we are doing. In 2021-22 we submitted to ACE our 2022-23 business plan – 'Towards a New Now' – to secure an 'extension' NPO funding year; and we began our next business planning cycle.

We also aimed to ensure that the charity had the appropriate resources, capacity and structure to survive and flourish and that our partnership Extraordinary Bodies continued to be an embedded element of achieving our charity's goals.

Our workforce comprised 13 full or part-time roles, with team members on flexible furlough returning to their usual working hours by the beginning of September 2021. Our overheads budget increased from approximately £415k to £485k by the end of the same period.

Grants

From 2018 to 2022, we have been committed to granting approximately £100k per annum to Cirque Bijou for the shared management and delivery of our partnership collaboration, Extraordinary Bodies. The partnership fulfils our aims and objectives by embodying our ethos, vision and mission through creating practical artistic productions that promote equality, diversity and social inclusion for the public benefit.

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Volunteers

The charity currently has no permanent volunteer workforce and mainly works with volunteers provided by partner organisations. In 2021-22 we worked directly with two volunteers to support admin and data inputting, but their contribution was not significant in terms of our ability to carry out our aims and objectives.

Progress made towards achieving our aims

Aim 1: To make excellent new work and develop talent

New work

2021-22 was a year of creative exploration and learning in a new cultural landscape. We gradually returned to 'in real life' artistic creation, while still operating in a largely digital world. Our resilience in the face of relentless challenge relied on our deep optimism and a shared belief in our mission, all while navigating Covid-related interruptions, limitations and frustrations.

From the slow, online journey towards making Extraordinary Bodies' new touring show *Human*, we finally moved to in-person rehearsals. What the pandemic took away in terms of human contact, it repaid in terms of time. We immersed ourselves in the show's evolution, employing layers of digital images and sound to integrate innovative creative access. Bringing performers together with sound artists and documentary film makers enabled us to create a show of and by the company that eventually took it out on tour.

Human was completed, rehearsed and premiered successfully at MAST Southampton in autumn 2021. A digital capture of the full show was completed at Lighthouse Poole for future distribution. *Human* offered a gentle, multi-layered welcome back for those ready to return. The fusion of digital and live performance with integrated music, circus, poetic and digital documentary forms was revelatory to artists and audiences alike.

Our Nordland Visual theatre collaboration on *Delicate* expanded to include Theatre Royal Plymouth as a new co-producer. In September 2021 originators Jamie Beddard and Aislinn Mulligan went back into research and development at 'Metal', casting got underway, the beginnings of a creative team were put in place and a show producer recruited. The linked audio documentary made in lockdown went into further development and distribution alongside the show was planned.

In 2021-22 producer Daisy Drury steered the evolution of *Waldo's Circus of Magic and Terror* with an extensive and complex casting search supported by casting director Polly Jerrold. We began negotiations on new co-producing relationships with Theatre Royal Plymouth and Bristol Old Vic.

Extraordinary Bodies was successful in securing a 2022-23 digital and participatory commission as part of Walk the Plank's Unboxed project 'Green Space Dark Skies'. Led by Jamie Beddard and Billy Alwen, a wide range of partners, participants and artists (including Dave Young, Jodie Cole, Natasha Player and Tilly Lee Kronick) began to develop an innovative outdoor, digital work. In 2021-22, three out of a portfolio of four 2020-21 digital commissions were taken further, with digital producer Grace Okereke providing key support. All had potential for either independent distribution or for linking to produced live work.

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While Mid Life: The Skin We're In continued to tour to short film festivals, Lucy Richardson and Sheila Chapman developed another linked audio pitch: *Mid Life: What We Tell Our Daughters*. Working with woman leader south-west and producer Vandna Mehta, the pitch evolved through conversations with women in early adulthood and those in midlife. It examined the shared space between women: about the physical body and how it changes, how it is treated and how it appears to us and to others. It also explored warrior women: when they are absent, where they guide us, and how we can become one of them.

Disabled puppeteer Nikki Charlesworth continued to develop her *Splash!* animation, working with animator Emma Fisher, dancer Helen Cherry and choreographer/creative enabler Jodie Cole. We postponed indefinitely a remount of *Splash!* for outdoor touring, and instead plan to distribute the standalone short animation to SEND schools.

Plans for further episodes of the poetic audio documentary around *Delicate* emerged, in parallel with the plans for a rehearsal R&D with Nordland Visual Theatre, and will be available in 2022-23. All of this work is informed by thinking around slow, diverse, artistic digital experiments running alongside or sometimes integrated into the core artistic programme.

Talent development

We employed 12 independent artists on the *Human* live and digital team. The process of film making, editing, integrating live and recorded storytelling, including creative access, developed their level of multi-disciplinary creative confidence and skill.

Our focus fell on the need to find more artists to join our *Human* touring company to mitigate the effect of Covid-related absences. We were able to cast actor-director (and Paralympic opening ceremony aerialist) Daryl Beeton, who accompanied the show on tour. We then auditioned 12 artists for an understudy role and Harry Basset was cast as drummer and understudy. Harry also started working with the British Paraorchestra (SMOOSH), along with Jonny Leitch. In response to the increased need to go beyond existing pools of artists, discussions opened up with casting director Polly Jerrold about networking artists more consistently with agents. Through Polly we auditioned 19 artists for *Waldo's Circus of Magic*, including two artists from EBYA, with career development/coaching supported through Cultural Recovery Funds (CRF).

Talent development associated with two ACE transforming leadership projects – Women Leaders South West and Jerwood Creative Fellowships – continued. We coached associates throughout the year and found ways to support and network them in the sector. Jerwood Fellow Jodie Cole was supported to develop her creative practice through an application to ACE and through roles in current and future projects, including *Green Space Dark Skies*, *Bestival Disco Inferno*, *Connecting Communities*, *Splash!* animation and EBYA. Diverse City was invited to present as part of the Freelance Futures programme and in national conversations. The plans for a delayed international practice share also began with nine *Delicate* creatives and Nordland Visual Theatre.

We continued to work with south-west performers coming up through EBYA. We offer placements to recently trained south-west performance professionals, such as producers/directors/designers, through our relationships with the UWE Creative Producer MA, the Circomedia Directing MA, and the Arts University Bournemouth Costume/Performance Design BA.

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The creative case for diversity

The Arts Council continues to recognise the responsibility that the charity takes for promoting and modelling their creative case for diversity: *'Organisation and partners make an outstanding contribution to creative case and play a leading national role in supporting this agenda'* (September 2022).

Representation

During the year, 28% of all our freelance workforce and at least 14% of independent artists identified as D/deaf, disabled or neurodivergent; 20% of the artist workforce identified as ethnically diverse and 64% of all freelancers and 44% of artists identified as female. We work towards equal representation (51% women; 16% POC; 20% D/deaf & disabled people) across our annual creative programme, ringfence 20% of production access costs, and aim to convince partners to do likewise. This commitment extends to the make-up of our board and our core team. We have been able to diversify our producing team through key support from the Paul Hamlyn Foundation and the Jerwood Foundation. This has influenced our recruitment processes for other roles and connected us with different networks. We recognise that power imbalances inherent in our current structure reduce our ability to drive change.

We continued to diversify our workforce through the employment of producers from the global majority, those who are disabled, those with caring responsibilities and those who are neurodivergent. Our accessible recruitment practices continued to be rolled out through the company, with a clear responsibility for building in access and inclusion from the start. We continued to gain from the Jerwood Creative Bursary Programme, both through organisational development and through engagement with Jodie Cole, an artistic leader who identifies as being from a low socio-economic background.

Our work centres on supporting others to change whose voice is heard and who has power in the arts. Critical elements have been a close partnership with the Clore Leadership 'Days of Change' programme, and continued advocacy and action around Unexpected Leaders through 'Connecting Communities'.

Our challenge now is to find and retain diverse artists on and off stage. Hiring skilled disabled performers has always been a challenge: financial and physical access to training is not universally available, which discourages many young people. The pandemic has exacerbated this lack of talent coming in and the mass of talent leaving the arts. A digital boom means that fees offered in performing arts look ever more derisory; people made redundant have found other roles; and those still working in theatre don't want to work the same hours as before. The slow recovery from the pandemic means that the artists who stay in the sector are not reaching audiences in the way they once did.

Creative access

The creative access experiments in *Human* brought new dimensions to the show and enabled the world of stage and screen to interact. The use of recorded BSL and captioning, plus embedded audio description through a sound design received via silent disco headsets, meant that access was fully integrated into the show aesthetic. Next year we will offer venues the film of *Human* alongside the live show as an access option, to ensure that audiences unable to return to live work can still enjoy the experience.

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In 2021-22 the capture of standalone creative journeys was impractical and irrelevant to our creative explorations. Instead, the poetic documentary elements of *Human* built on ideas originally explored in *What do You See In Me?*, by capturing the cast's personal stories. The film shone a light on how the cast members became, and remained, circus performers, actors, musicians and singers during the pandemic. We also recorded a Q&A on Extraordinary Bodies' creative practice. The audio documentary of *Delicate* (in progress at the time of writing) focuses on the lived experience of making and working as an artist during these challenging times. Digital stories are integral to the material from which we make our work, not a separate, archival process. We hope to use material recorded by Stephen Lake in future documentary work about Extraordinary Bodies.

Aim 2: To build audiences and track our impact

2021-22 saw the launch at last of our ACE Project of National Importance: 'Touring Diverse Led Circus'. This project aims to work with venues to build new and diverse audiences for arts and culture – live and digital. Together we aim to diversify audiences, engage communities, diversify leadership and gather insights across a range of places nationally. Having met the partners throughout the pandemic online, the project finally began in real life at MAST Southampton and with a guest event at Lighthouse Poole. However, evidence shows that audiences are still cautious and happier to engage outside than indoors across every demographic. The number and range of our live venue audiences were curtailed by social distancing and audience confidence, with disabled, vulnerable and young audiences in particular facing increased barriers.

As live audiences were slow to return, the ongoing pandemic continued to stretch our resources and creativity. During this period, we toured to five national venues – MAST Southampton, Lighthouse Poole, Civic Barnsley, Theatre Royal Plymouth and Woolwich Works – and live audiences totalled 1,753. Show scenarios were many and varied as we worked flexibly to ensure that we could perform, despite the impact of Covid. The pandemic also forced some of our expected venues to delay their presentation of *Human*, which means that full audience numbers for the show will not be confirmed until 2022-23.

We began to analyse the live audience across our touring venues and, using the Culture Counts platform, we got a sense of the impact of the work. However, at the time of writing we are analysing the second half of the tour, since the pandemic forced us to split it across two years.

Given that 33% of our audiences knew nothing about Extraordinary Bodies before the show (and 52% very little), we are proud to find that net promoter score was 80%. Nearly half (48%) of audiences responding felt the show was different from what they expected, but the majority (97%) rated the experience overall as good to excellent. This means that expectations of traditional 'sequins and sawdust' circus are no barrier to the enjoyment of the different kind of circus we make. At least 23% of our audience is D/deaf or disabled and 24% non-white/British. We worked hard with venues to increase the welcome for all audiences (through FOH briefings and providing notes and accessible support materials) and we were happy that the majority (91%) of respondents felt safe and comfortable in the venues visited.

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There is a consistent expression of delight across feedback to the show: 'It was an unforgettable, moving, funny, uplifting show. I loved it.' *Human* was very much of this time and place, evidenced by high audience scores for captivation and relevance: 'Thank you for sharing these stories. It felt incredibly moving, and more connected to everyone after this intense period of loss and isolation.' Comments show clear audience connection with its themes and its reflection on universal experiences of segregation: 'I understand parts was about showing your experiences of life and how we can all relate to uncertainty and our minds and journey are all different and we're all human even if you have disabilities.'

Public commentary was overwhelmingly positive, with simple feedback cards developed by Unexpected Leaders providing an accessible 'gateway' into the idea of feeding back more formally. Comments illustrated an appreciation of inclusive circus as an art form and in particular the sense that it is a medium where '... things can cross over' and strengthened the view that 'circus can be accessible to everyone, regardless of their physical ability. Also, I learned a great deal about how a theatre performance can be made as accessible as possible.'

We were also delighted by the response of peers. Comments demonstrated that they were 'won over' by the piece and open to its gentle charm: 'I found it moving, playful, skilled, thoughtful and one particularly groundbreaking duet. Rebecca's Italian character was charming too. I loved the filmed contribution, and the relationships. Jonny's drumming is awesome and the songs beautiful. It was everything I hoped to achieve with a recent show but was unable to'; 'Thank you - it was touching, funny and beautifully conceived.'

Diverse City gained in overall online audiences: people found out about the company, found the content relevant and were interested in following us. This was despite reduced activity because of a shift to profiling Extraordinary Bodies' new touring work. Extraordinary Bodies significantly increased its online audience and reach in 2021-22 compared to pre-pandemic year 2018-19 (+143% in new audiences, +214% in total reach), although this rate of growth has begun to slow as a result of the return of live work. There were big increases in e-news click rate for both Diverse City and Extraordinary Bodies.

All commissioned creative digital content is captioned and audio described where possible. Views for our BSL videos represented 5% of our total, which suggests that Deaf people represent 5% of our YouTube audience. Our short film, *Mid Life: The Skin We're In*, worked well with venues such as Bristol Old Vic and the Barbican Theatre that had previously programmed the live show in 2019-20. Extraordinary Bodies' creative digital content will link more closely to live touring work in the future or have its own distribution plan. Our online integrated circus toolkit still attracts demonstrable interest and this year represents 35% of the total lifetime views. To increase this level of distribution, we have let go of the sign-up form while also promoting the toolkit alongside the touring work of Extraordinary Bodies.

Our total online audience reach (including website unique users, social media impressions, e-news users, video impressions) came to just over 750,000, with created digital content reaching nearly 2,500 (3,000 in 2020-21) people. We now have 17,397 (11,698 in 2020-21) followers across all Extraordinary Bodies and Diverse City social media channels and 30,000 total sessions on our websites. Surveys for our digital work show a predominantly female audience in the 25-44 age bracket.

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Impact of community performance

Paul Hamlyn Foundation support, coupled with new funding from the National Lottery, allowed us to work with communities and plan for extending our reach nationally, through Community Cultural Leadership. We shared and celebrated the beautiful digital community film made by Plymouth, Poole and Rochdale at MAST, the Lowry and the Lighthouse Poole. Unexpected Leaders trained in evaluation methodology and created an innovative mechanism for gathering feedback from audiences for *Human*. They met for the first time in person at a performance of *Human* at Theatre Royal Plymouth Funky Llama Festival.

A review of the first phase of community work informed a subsequent successful application to the National Lottery. The year ended with a new understanding of the external pandemic context: January 2022 saw the Omicron wave taking hold, 'Plan B' still in place and Covid self-isolation a constant fixture. We therefore ended the year by establishing a core delivery team for subsequent years, re-establishing contacts with existing community partners (Theatre Royal Plymouth, Funky Llama and Our Space and Skylight Circus) and with Unexpected Leaders Berni Molton and Ferri Feredouni (Theatre Royal), Martine Bradford and Claire May Minett (Lowry Salford, Skylight Circus Rochdale), and Jess Skelton and Kiera Procter (Lighthouse Poole, EBYA).

Impact of digital content

This year we created and uploaded or distributed 11 new pieces of digital content, all of which were BSL interpreted and captioned. Artists and Unexpected Leaders explored audio description, digital interviewing and podcasts. Our inhouse communications teams continued to produce and share accessible digital content and assets as standard, and to model inclusive marketing approaches to our partners. Our newly launched redesigned Diverse City website greatly increased accessibility and functionality and we are creating more dynamic content for the site.

Aim 3: To build resilience

The intensive work necessitated by the shocks of 2020-21 put us in a position to move forward in 2021-22. We adapted our practice, schedules and budgets to work with a changed sector and freelance workforce, many of whom faced new challenges and barriers. During 2021-22 Diverse City employed over 100 independent creatives, (50% of them freelance), ensuring that access, respect and care were central to their experience of the company.

'Extraordinary Bodies are my favourite company to work for. They are truly inclusive, thoughtful and extremely supportive of their staff. When I work for them I feel totally supported and valued, so that I am doing my best work and enjoying myself immensely at the same time.' - *Human touring stage manager*

Despite being disproportionately affected by the pandemic, Cirque Bijou's festival and events market woke up and their team grew. Following a production resource review, Cirque Bijou's expert team are key to next year's Extraordinary Bodies production-heavy schedule. In partnership with LiT Circus, Circomedia and Extraordinary Bodies, Cirque Bijou tested the running of a multi-day training, participation and performance event space in a big top tent. The experiment involved detailed scenario planning and risk analysis to grasp the strengths and weaknesses of ambitions to buy Extraordinary Bodies' own independent mobile touring space. The two companies worked together more closely than ever, to decide on the best way to protect public investment and reach audiences in this new climate.

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Arts Council England has recognised the charity's strong leadership from the executive team, supported by clear partnership arrangements, strong planning and good financial reporting to the board upon which to base decision-making. We acknowledge, however, that the core team is still not as representative as we would like. We are therefore applying the learning around inclusive recruitment gained from the Jerwood Foundation Creative Fellowship organisational development programme. Following minimal recruitment in 2020-21, this year we started to see a wider field of applicants across some, but not all, demographics. Of applicants for a producing vacancy, D/deaf and disabled people represented 53%, people with caring responsibilities 40%, and heterosexual applicants the minority. The charity continues to strengthen HR capability to ensure anti-oppressive practice is at its heart. We will continue to monitor our approach and to promote opportunities, in particular through platforms that specifically target job seekers from the global majority. Jerwood Fellow Jodie Cole came to the end of her fellowship but she will continue her leadership and creative journey on Diverse City and Extraordinary Bodies' projects.

The Paul Hamlyn Foundation 'More and Better Participation and Engagement' fund was crucial to our delivery of commitments to artists, partners and the sector. Our excellent, experienced and diverse freelance producer team grew. They navigated new directions, constant change and fluctuating budgets. They were critical to company consistency and continuity as we headed into the uncharted waters of national touring. They established strong connections with communities and, although there is still much to do in terms of restarting their engagement, a clear road map lies ahead.

We pulled back on one-off sector consultancy and training, delivering around 14 informal and formal sessions to just over 500 people. The senior management team concentrated on contributing to the sector through arts trusteeships, co-chairing responsibilities, What Next? Jerwood Arts, School for Social Entrepreneurs, People Make it Work and ACE (access support). Our focus needs to be on relationships that help to build the impact of our creative output, with clear strategic benefits.

We focused our fundraising efforts on our submission to ACE of a new 2022-23 business plan – 'Towards A New Now' – with extensive supporting documents to secure an increase of £8.8k to our 2022-23 NPO 'extension' grant. In addition, we secured two new grants: a third emergency CRF grant to support additional costs linked to the rehearsal of *Human* plus targeted career development support for our youth company; and a National Lottery 'Reaching Communities' grant of £197k to support the three-year roll-out of our national community work, seeded during 2020 through their emergency fund. An application to 'Culture in Quarantine' and an expression of interest to the Andrew Lloyd Webber Foundation were both unsuccessful. We were invited to submit a videoed case for support to a Dorset philanthropist, which, although ultimately unsuccessful, was a valuable exercise in honing a new kind of approach. We continued to plan for a membership model backed by our new Extraordinary Bodies case for support and we were pleased to secure new corporate support from Silent Disco King for the tour of *Human*.

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Aim 4: To offer experiences for children and young people

Extraordinary Bodies Young Artists

Throughout 2021-22 our integrated youth performance ensemble participated in 42 online Zoom and live weekly workshops, including a collaboration with Prime Theatre Swindon led by visiting professional D/deaf and disabled artists. The group started back with live rehearsals for the production *Till We Win* – a piece with integral digital animation. The production had its first showing at Lighthouse Poole in May 2021, a premiere at For/With/By European Festival of Youth Theatre in July 2021 at Birmingham Rep, and then was presented in a double bill with *Human* in the autumn of 2021 at Lighthouse Poole for an audience of 183. For/With/By saw 15 partner venues, 150 young people attending and 704 views of the live stream for international partners. In addition to *Till We Win* performances, the company led an integrated clowning workshop for 35 young people.

There continued to be strong signs of progression for members. Josh Ward won his first professional lead role in 'A Snapshot', a film by Hidden Pictures North, commissioned by the BFI. Josh was also selected to perform in 'Partnering with Earth' by David Young, a commission produced for the Inside Out Festival, Dorset. Luke Davies was selected to play the lead in Millstream Theatre's production of *The Woodcutter and The Swan*, and he spoke at a Q&A hosted by Mat Fraser. Kiera Procter, Josh Ward and Jessica Skelton were selected for Connecting Communities Unexpected Leaders co-evaluation training; Jess Skelton and Alice Saunders were put forward to audition for the cast of *Waldo's*; and musician Harry Bassett began his studies at Trinity Music College London in September 2021. In December 2021 EBYA hosted an alumni gathering, which brought five former members together, in person and online, to share their achievements and challenges since moving on. These progression routes were further supported by the launch of a new coaching programme in collaboration with touring theatre company Damn Cheek.

Financial review

2021-22 was Diverse City's fourth year as a charity and as an ACE NPO. Projected income and expenditure continued to be affected by Covid. The effect this had on the activities and finances of the charity were as follows:

- The postponed first stage of our three-year ACE Project of National Importance: 'Touring Diverse Led Circus' was launched with our autumn tour of brand-new show *Human*;
- Partnership income decreased by £105k as a result of having to split the *Human* tour, which meant that there wasn't space or capacity to continue with the original plan to retour *Splash!* this year;
- Projected performance income increased, due to one more new venue fee of £18k (Woolwich Works) to present *Human*;
- Performance income was offset by the rescheduling of *Human* in Sunderland to 2022; and by distribution income for *Mid Life: The Skin We're In* being lower than anticipated;
- Training and consultancy income was £12k higher than budget, due to additional work relating to EBYA attending the For/With/By Festival, *Green Spaces Dark Skies* and ad hoc talks and interviews; and
- We received £10k theatre tax relief for *What am I Worth? / Human*, plus £8k from the Government Job Retention Scheme.

Diverse City

Report of the trustees

For the year ended 31 March 2022

The charity took the following steps in 2021-22 to ensure that recovery from the effects of the pandemic was achievable:

- Overhead savings arose from changes to staff resourcing and underspends on 21/22 overheads (travel, marketing and website). However, these will support core expenditure over the next two years;
- Staff members were furloughed and claims made via the Job Retention Scheme. The income received was £8k in this financial year;
- Emergency funds totalling £136k were received from the Cultural Recovery Fund 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);
 - Supported fundraising, business planning, administrative and IT support, trustee recruitment; EBYA coaching, digital capture of *Human*; rehearsals for the second leg of Human live show; and digital/audio development of *Mid Life: What We Tell Our Daughters* and *Delicate*; and
 - Enabled performances to restart in a Covid-safe way in the autumn of 2021 (CRF).

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 Arts Council England, the CRF 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 objectives, '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 *Human* performances at six venues and the charity's sector training and consultancy services.

In 2021-22 income decreased by approximately £354k compared to the previous year. Income received in 2021-22 was lower than the previous year in relation to Emergency Funding (£340k), an ACE Project of National Importance Grant supporting 'Touring Diverse Led Circus' (£72k) and theatre tax relief claims (£15k). These decreases were offset by higher performance income (£75k) and training and consultancy (£6k).

The year-on-year expenditure increase of £256k related to increased project activity (£199k) following the gradual emergence from the pandemic, expenditure related to the *Human* show and digital film, Children and Young People activities, training and consultancy work and community engagement. Overhead expenditure increased by £57k, resulting from additional consultancy, business support and Covid planning funded by the CRF.

The position at the end of the year was an increase in funds of £224k.

The charity maintains a risk register identifying risks, analysing their potential impact and recording actions to mitigate them. This register is reviewed regularly at trustee meetings. At the end of the year the risk register was revised to include specific risks associated with the pandemic. The major financial risks faced by the charity are from funding bids or co-producing pitches being unsuccessful, from a possible failure to find a sustained demand or market for touring shows and the inability to recruit adequately skilled, integrated artistic teams for our creative programme.

Diverse City

Report of the trustees

For the year ended 31 March 2022

The charity takes the following actions to mitigate these risks: to develop a long-term funding strategy; to employ independent advisors; to offer internal fundraising training; to invest in relationships with funders; to keep an open conversation with touring partners about the market and future risks and plans; and to collaborate with training partners, casting directors and other performing companies to cast our talent net as widely as possible.

Trustees have created a reserves policy that aims to build a reserve equivalent to four months of overheads expenditure over a period of four years. Trustees track cashflow and forecasts on a regular basis to highlight any potential low points and to plan for this.

Review of the reserves

The funds held by the charity at the end of the reporting period totalled £1.3m. The breakdown of the funds were as follows:

- Restricted funds, £570k – where the donor has specified that the funds be spent on a particular activity. The majority of the funds relate to the ACE Project of National Importance Grant that supports 'Touring Diverse Led Circus', £566k, and the National Lottery funded Connecting Communities Project, £3k;
- Designated access/rehearsals, £8k – Extraordinary Bodies rehearsal fund;
- Designated project activity funds, £404k – to support creative activity relating to Waldo's Circus, Children and Young People activities, Delicate production, digital work, community evaluation and producer support;
- Designated organisational support fund, £119k – to support essential organisational expenditure in 2022-23;
- Designated CRF, £42k – for business support and for *Human* rehearsals in spring 2022; and
- General reserves, £160k – 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 a four months' overheads buffer. This is tracking as planned.

Fundraising

In 2021-22 most fundraising activity was managed in house by our senior management team, and by our Executive Director and Finance Director in particular. Our focus was on applying for and reporting on our DCMS Cultural Recovery grants, managing our emergency National Lottery grant and preparing new applications to both the National Lottery and to the ACE NPO. Our ACE NPO application draws upon a new 2023-26 business plan, 'A New Now', and an analysis of our programme against the ACE Investment Principles and 'Let's Create' Outcomes and Elements. We created a new case for support for Extraordinary Bodies and, as a new fundraising climate emerged, we initiated working in partnership with our peers to create joint approaches and combine fundraising capacity.

Our application for ACE NPO funding was successful and secures core funding of £536k per year for the period 2023-2026.

Diverse City has voluntarily subscribed to the Fundraising Regulator. Payment of the levy signals our commitment to fundraising best practice, positively contributing to the ACE Dynamism Investment Principle.

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

Diverse City

Report of the trustees

For the year ended 31 March 2022

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 requests to individuals unless they have explicitly consented to be contacted for this purpose. General requests 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.

Going concern

The trustees consider that the charity will continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved, for the following reasons:

- The majority of the subsidy for the touring programme has been received from the Arts Council and ringfenced to support venue fees towards touring costs;
- The charity holds reserves of £1.3m at the end of 2021-22. These consist of restricted funds of £570k, designated funds of £573k and general reserves of £160k (approx. 3.5 months' running costs);
- The budget for 2022-23 includes income targets of £1m; 87% of this income is already confirmed. The funds forecast for the end of March 2023 are £280k (restricted £103k, designated £123k, general £54k);
- The net cash reserves forecast at the end of March 2023 are £491k (restricted £179k, designated £258k, general £54k); 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

Our future direction is articulated in our 2022-23 business plan, 'Towards a New Now', which builds on the 'test bed' months of 2021-22. Three key strategic aims thread through all our activity: to continue to diversify the national cultural offer; to represent, respond to and engage with diverse audiences; and to create opportunities for the next generation of artists. Our vision is of a healthy, just and civil society, led by a diverse and relevant performing arts culture. New work will evolve and grow while retaining the slower flow of the pandemic period.

All We Have, a future co-production with Ad Infinitum (also an Associate Company of Bristol Old Vic) will take shape. In 2022-23 the show will develop with Diverse City Co-Artistic Director Jamie Beddard and Ad Infinitum Co-Artistic Director George Mann. The production is a meditation on male mental health, framed by the story of Donald Crowhurst's doomed solo voyage that ultimately led to his suicide; it's a journey through the mind of someone falling to pieces, revealing the chaos and the acuity. When internal or external storms rage, we are brought face to face with the idea that we are all, indeed, *All We Have*.

The seeds of a new show *Swimmers* will be sown in a low-fi collaboration from our Swanage base. This is part watery flash mob, part exhibition and part confessional. The work begins as an exploration of how the literal 'pooling' of our bodies, minds, stories and histories helps us resist the shaping of our lives by external forces. Eventually, *Swimmers* will become a live story swap on a road trip to cafés and village halls across the region and country.

Diverse City

Report of the trustees

For the year ended 31 March 2022

The reshot short digital animation *Splash!* will be readied for later distribution to audiences of children and young people in SEND settings through The Mighty Creatives, our touring partners and local Dorset links. *Mid Life: What We Tell Our Daughters*, from Director & Dramaturg Lucy Richardson and writer Sheila Chapman, will develop through 2022-23, funded by CRF2. We aim to secure funding, bookings and an agreed national retouring plan for Diverse City's Mid Life, helped by Bristol Old Vic, an experienced tour booker and building on interest from Plymouth, Salford, Brighton and Soho Theatre London.

We will evolve the relationship between EBYA and host venue Lighthouse Poole. Together we will seek out new ways to support their vital place in the youth arts landscape. We hope to ensure their viability for future generations of diverse artists in and beyond Dorset – not just in youth performing arts but also in mainstream culture.

Extraordinary Bodies will be focused on bringing together expertise, experience and creativity to make our most exciting and high-quality work to date. We will make two new shows – *Delicate* and *Waldo's Circus of Magic and Terror* – and evaluate their impact. This intensive period of work is supported through Diverse City's NPO and an ACE Project of National Importance: 'Touring Diverse Led Circus', and by a stable of experienced producers. A strong, positive reception to this touring work, a meaningful creative network of seven communities and national relationships, co-producing partners and commissions are critical to the future. We have committed to exploring retours of existing work and distributing digital projects alongside live work.

The Covid crisis has continued to try our people, systems and finances, particularly in its impact on partner resources. However, we made no redundancies and we secured new grant support, which has kept us buoyant. Trustee retention has been affected by the stresses of Covid, and we will be embarking on a recruitment process to ensure that we have the skills and capacity to manage the increasing demands on this critical team.

Our ambitious future programme is challenged by complexities around partnership working, but with detailed review, scenario planning and strategy adjustments we are confident in our sustainability and continued impact. Our collaboration with Cirque Bijou has been a strength and has withstood external pressures. Together we are a group of resilient and experienced arts managers who are looking to the next steps in our partnership project.

We want to build our influence so that the cultural sector is founded on the values of justice and inclusion; on anti-oppressive practice; and on generosity. We have work to do in terms of securing the resources to move forward in as sound, careful and financially responsible a way as possible, without risk of burnout. We are confident in the relevance and timeliness of the shows we are making for existing and new audiences. The shows embody our ethos and values and showcase the talents of our incredible artists. We look forward to new partnerships as we move with the sector towards a 'New Now' and will continue to thread three strategic aims through all our activity: to diversify the national cultural offer; represent, respond to and engage with diverse audiences; and create opportunities for the next generation of artists.

Diverse City

Report of the trustees

For the year ended 31 March 2022

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.

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 2022 and signed on their behalf by

G. T Devlin

Graham Devlin - Trustee

Independent auditors' report

To the members of

Diverse City

Opinion

We have audited the financial statements of Diverse City (the 'charity') for the year ended 31 March 2022 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 2022 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

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.

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.

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.

Independent auditors' report

To the members of

Diverse City

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.

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.

Independent auditors' report

To the members of

Diverse City

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: 28 November 2022

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 2022

	Note	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Income from:					
Donations		-	15,179	15,179	37,282
Charitable activities	3	317,368	814,013	1,131,381	1,469,091
Other trading activities	4	-	37,325	37,325	31,602
Investment income		-	395	395	298
Total income		<u>317,368</u>	<u>866,912</u>	<u>1,184,280</u>	<u>1,538,273</u>
Expenditure on:					
Raising funds		-	98,420	98,420	109,543
Charitable activities		<u>125,933</u>	<u>735,545</u>	<u>861,478</u>	<u>593,960</u>
Total expenditure	6	<u>125,933</u>	<u>833,965</u>	<u>959,898</u>	<u>703,503</u>
Net income		191,435	32,947	224,382	834,770
Transfers between funds		-	-	-	-
Net movement in funds	7	191,435	32,947	224,382	834,770
Reconciliation of funds:					
Total funds brought forward		<u>378,273</u>	<u>699,812</u>	<u>1,078,085</u>	<u>243,315</u>
Total funds carried forward		<u><u>569,708</u></u>	<u><u>732,759</u></u>	<u><u>1,302,467</u></u>	<u><u>1,078,085</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 16 to the accounts.

Diverse City**Balance sheet****As at 31 March 2022**

	Note	£	2022 £	2021 £
Fixed assets				
Tangible assets	11		12,230	3,084
Current assets				
Debtors	12	70,332		78,694
Cash at bank and in hand		<u>1,250,989</u>		<u>1,028,215</u>
		1,321,321		1,106,909
Liabilities				
Creditors: amounts falling due within 1 year	13	<u>(31,084)</u>		<u>(31,908)</u>
Net current assets			<u>1,290,237</u>	<u>1,075,001</u>
Net assets	15		<u><u>1,302,467</u></u>	<u><u>1,078,085</u></u>
Funds	16			
Restricted funds			569,708	378,273
Unrestricted funds				
Designated funds			572,894	594,740
General funds			<u>159,865</u>	<u>105,072</u>
Total charity funds			<u><u>1,302,467</u></u>	<u><u>1,078,085</u></u>

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 2022 and signed on their behalf by

G. T Devlin

Graham Devlin - Trustee

Diverse City**Statement of cash flows****For the year ended 31 March 2022**

	2022 £	2021 £
Cash used in operating activities:		
Net movement in funds	224,382	834,770
Adjustments for:		
Depreciation charges	3,850	1,122
Dividends, interest and rents from investments	(395)	(298)
Decrease / (increase) in debtors	8,362	(68,604)
Increase / (decrease) in creditors	(824)	(20,706)
Net cash provided by / (used in) operating activities	235,375	746,284
Cash flows from investing activities:		
Dividends, interest and rents from investments	395	298
Purchase of tangible fixed assets	(12,996)	(1,269)
Net cash provided used in investing activities	(12,601)	(971)
Increase / (decrease) in cash and cash equivalents in the year	222,774	745,313
Cash and cash equivalents at the beginning of the year	1,028,215	282,902
Cash and cash equivalents at the end of the year	1,250,989	1,028,215

Diverse City

Notes to the financial statements

For the year ended 31 March 2022

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, which the trustees consider appropriate having regard to the current level of unrestricted reserves and confirmed future funding. There are no material uncertainties about the charity's ability to continue as a going concern.

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 performances or 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.

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.

Diverse City

Notes to the financial statements

For the year ended 31 March 2022

1. Accounting policies (continued)

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:

	2022	2021
Raising funds	10.3%	15.6%
Charitable activities	89.7%	84.4%

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.

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.

Notes to the financial statements

For the year ended 31 March 2022

1. Accounting policies (continued)

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 depreciation, as described in note 1i above, and theatre tax relief, as described below.

Theatre Tax Relief

The charity has estimated the credit receivable under Theatre Tax Relief based on its eligible production expenditure incurred during the period. This amount is £22,227 and is included within income from charitable activities and accrued income at the year end. As this amount is subject to review and approval by HMRC, actual results may differ.

Diverse City

Notes to the financial statements

For the year ended 31 March 2022

2. Prior period comparative: statement of financial activities

	Restricted £	Unrestricted £	2021 Total £
Income from:			
Donations	-	37,282	37,282
Charitable activities	426,515	1,042,576	1,469,091
Other trading activities	-	31,602	31,602
Investments	-	298	298
Total income	426,515	1,111,758	1,538,273
Expenditure on:			
Raising funds	-	109,543	109,543
Charitable activities	57,380	536,580	593,960
Total expenditure	57,380	646,123	703,503
Net income and net movement in funds	369,135	465,635	834,770

3. Income from charitable activities

	Restricted £	Unrestricted £	2022 Total £
Grants	317,368	704,317	1,021,685
Theatre tax relief	-	32,376	32,376
Performance income	-	77,320	77,320
Total income from charitable activities	317,368	814,013	1,131,381

Prior period comparative:

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

Diverse City

Notes to the financial statements

For the year ended 31 March 2022

4. Income from other trading activities

	Restricted £	Unrestricted £	2022 Total £	2021 Total £
Training and consultancy	-	37,325	37,325	31,602
Total income from other trading activities	-	37,325	37,325	31,602

The total income from other trading activities in 2021 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 2022 was £930,925 (2021: £1,314,861). There are no unfulfilled conditions or contingencies attaching to these grants.

Diverse City

Notes to the financial statements

For the year ended 31 March 2022

6. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2022 Total £
Fundraising	5,164	-	-	5,164
Project costs	-	358,680	-	358,680
Grants payable (note 10)	-	114,275	-	114,275
Staff costs (note 8)	61,587	166,691	137,855	366,133
Freelance	9,055	23,887	27,024	59,966
Staff training	-	-	140	140
Travel and subsistence	-	-	2,123	2,123
Governance	-	-	9,114	9,114
Insurance	-	-	6,632	6,632
Subscriptions	-	-	3,182	3,182
Other administrative costs	-	-	13,127	13,127
Accountancy	-	-	7,311	7,311
Legal and professional fees	-	-	8,925	8,925
IT / design	-	-	1,276	1,276
Depreciation	-	-	3,850	3,850
Sub-total	75,806	663,533	220,559	959,898
Allocation of support and governance costs	22,614	197,945	(220,559)	-
Total expenditure	98,420	861,478	-	959,898

Total governance costs were £14,814 (2021: £6,555).

Diverse City

Notes to the financial statements

For the year ended 31 March 2022

6. Total expenditure (continued)

Prior period comparative:

	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
Sub-total	81,394	441,327	180,782	703,503
Allocation of support and governance costs	28,149	152,633	(180,782)	-
Total expenditure	109,543	593,960	-	703,503

Diverse City

Notes to the financial statements

For the year ended 31 March 2022

7. Net movement in funds

This is stated after charging:

	2022 £	2021 £
Depreciation	3,850	1,122
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
Auditors' remuneration:		
▪ Audit (including VAT)	5,700	5,400
▪ Other services	1,911	701

No trustees were reimbursed for expenses during the current or prior year.

8. Staff costs and numbers

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	334,815	295,245
Social security costs	24,304	22,111
Pension costs	7,014	6,532
Subtotal	366,133	323,888
Freelance staff	59,966	42,744
	426,099	366,632

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 £185,545 (2021: £183,419).

	2022 No.	2021 No.
Average head count	16.0	14.5
Average FTE	10.3	9.2

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 2022

10. Grants payable

	2022 £	2021 £
Grants to institutions:		
Cirque Bijou	100,400	123,684
Grants to 3 individuals (2021: 1)	<u>13,875</u>	<u>6,002</u>
Total grants awarded	<u>114,275</u>	<u>129,686</u>

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 £
Cost	
At 1 April 2021	5,652
Additions in year	<u>12,996</u>
At 31 March 2022	<u>18,648</u>
Depreciation	
At 1 April 2021	2,568
Charge for the year	<u>3,850</u>
At 31 March 2022	<u>6,418</u>
Net book value	
At 31 March 2022	<u>12,230</u>
At 31 March 2021	<u>3,084</u>

12. Debtors

	2022 £	2021 £
Trade debtors	43,356	29,582
Other debtors	<u>26,976</u>	<u>49,112</u>
	<u>70,332</u>	<u>78,694</u>

Diverse City

Notes to the financial statements

For the year ended 31 March 2022

13. Creditors: amounts due within 1 year

	2022 £	2021 £
Trade creditors	8,026	26,508
Deferred income (note 14)	15,100	-
Accruals	7,958	5,400
	<u>31,084</u>	<u>31,908</u>

14. Deferred income

	2022 £	2021 £
At 1 April 2021	-	-
Deferred during the year	15,100	-
Released during the year	-	-
	<u>-</u>	<u>-</u>
At 31 March 2022	<u>15,100</u>	<u>-</u>

Deferred income relates to performance income invoiced in advance of performances.

15. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	12,230	12,230
Current assets	569,708	581,994	169,619	1,321,321
Current liabilities	-	(9,100)	(21,984)	(31,084)
	<u>569,708</u>	<u>572,894</u>	<u>159,865</u>	<u>1,302,467</u>
Net assets at 31 March 2022	569,708	572,894	159,865	1,302,467
	Restricted funds £	Designated funds £	General funds £	Total funds £
Prior period comparative				
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)
	<u>378,273</u>	<u>594,740</u>	<u>105,072</u>	<u>1,078,085</u>
Net assets at 31 March 2021	378,273	594,740	105,072	1,078,085

Diverse City

Notes to the financial statements

For the year ended 31 March 2022

16. Movements in funds

	At 1 April 2021 £	Income £	Expenditure £	Transfers between funds £	At 31 March 2022 £
Restricted funds					
Women leaders South West	27,220	11,373	(37,334)	-	1,259
Children and young people	1,200	-	(1,200)	-	-
Community engagement	125	10,244	(7,470)	-	2,899
Touring diverse led circus	344,703	286,625	(65,611)	-	565,717
Jerwood Producer	-	9,126	(10,140)	-	(1,014)
Splash!	5,025	-	(4,178)	-	847
Total restricted funds	378,273	317,368	(125,933)	-	569,708
Unrestricted funds					
<i>Designated funds:</i>					
Designated access/rehearsals	50,401	490	(43,280)	-	7,611
Designated project funds	413,720	296,361	(305,964)	-	404,117
Organisational support	76,882	338,349	(295,771)	-	119,460
Cultural recovery fund	53,737	125,485	(134,952)	(2,564)	41,706
<i>Total designated funds</i>	594,740	760,685	(779,967)	(2,564)	572,894
General funds	105,072	106,227	(53,998)	2,564	159,865
Total unrestricted funds	699,812	866,912	(833,965)	-	732,759
Total funds	1,078,085	1,184,280	(959,898)	-	1,302,467

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 Arts Award scheme.

Community engagement

The fund relates to a National Lottery Community Fund grant of £10k received during the year. This is part of a programme of activity with a total grant of £197k over 3 years.

Touring diverse led circus

The reserves of £566k 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.

Diverse City

Notes to the financial statements

For the year ended 31 March 2022

16. Movements in funds (continued)

Purposes of restricted funds

Jerwood Producer

The negative fund is due to all of the expenditure taking place in the 2021/22 financial year, and the final grant payment being received in June 2022.

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 toured in Autumn 2021 and Spring 2022.

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 Organisational support costs 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 the target is to hold four months' running costs which is approx £160k. The current reserves of £160k reflect this target.

Diverse City

Notes to the financial statements

For the year ended 31 March 2022

16. Movements in funds (continued)

Prior period comparative

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

17. Related party transactions

D Young, a trustee, provided training sessions and workshops as an artist and received total payment of £70 (2021: £340). The transactions were carried out at arm's length.