

**YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

Accounts for the Year Ended

5 April 2021

**Registered No. 814453
Registered Charity No. 238436**

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
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Contents

Page

1	Contents
2	Reference and administrative details
3-13	Directors' report
14-17	Auditors' report
18	Statement of financial activities
19	Balance sheet
20-33	Notes to the accounts

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Reference and administrative details

Charity name: Yvonne Arnaud Theatre Management Limited
Charity number: 238436
Registered office: Yvonne Arnaud Theatre, Millbrook, Guildford, Surrey GU1 3UX

Key management personnel Yvonne Arnaud Theatre Management Limited: Directors

The directors and officers serving during the year and since the year end were as follows:

Mr Stephen Bampfylde	Chairman
Mr Nicholas Acomb	
Mr Julian Bird	
Mr Roger Black MBE	
Mrs Emma Brunjes	(appointed 8 April 2021)
Mr Andrew French	
Mr Charles Geffen	(appointed 1 June 2021)
Mr Peter Gordon	
Mrs Patricia Grayburn MBE DL	Surrey University Representative (resigned 13 July 2020)
Cllr Mr Steven Lee	GBC Representative
Mr Michael More-Molyneux	
Mr Julian Porter	(resigned 2 March 2021)
Mr Peter Wilkins	(resigned 26 May 2020)

Key management personnel of Yvonne Arnaud Theatre Management Limited: Senior Staff

Director and Chief Executive	Mrs Joanna Read
Director of Finance	Mrs Sarah Gatward
Director of Marketing and Customer Experience	Mrs Sally Anne Lowe

Our advisors

Bankers:	Barclays Bank plc Woking Corporate Management Suite PO Box 673 Town Gate House Church Street East Woking GU21 1XW
Auditors:	Azets Statutory Auditors & Chartered Accountants Ashcombe Court Godalming Surrey GU7 1LQ
Solicitors:	Stevens & Bolton LLP Wey House Farnham Road Guildford Surrey GU1 4YD

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Report of the Directors for the year ending 5 April 2021

The directors present their annual report together with the financial statements for the year ended 5 April 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The directors have taken advantage of the exemption conferred by section 400 of the Companies Act 2006 and section 139 of the Charities Act 2011 from the requirement to prepare group accounts as its results are consolidated into the accounts of its parent, Yvonne Arnaud Theatre Trust. The results of subsidiary companies are recorded in note 18 to the financial statements.

Theatre Chairman's Report

This year has been an extremely challenging period for the theatre and the arts in general. The theatre was forced to close for the majority of 2020 and the first five months of 2021 due to the Covid 19 pandemic, opening only when government regulations permitted and it was possible to do so. The senior management team, with the support of the directors, acted swiftly at the start of the year to safeguard the financial viability of the organisation until the theatre was able to reopen and resume its full programme of work. Sadly, this proved not possible for the majority of the year, with the theatre entering its third closure period on the 19th December and remaining dark then for the remainder of the year. All areas of the theatre's operation, including theatre programme, outreach work, café and restaurant have been impacted by the closure periods.

Emergency funding from the DCMS and the Arts Council England has helped mitigate the effect on the theatre's financial position. The theatre was the recipient of an award from the Cultural Recovery Fund, receiving £244k in October 2020 to support core costs and overheads usually met by box office income. This combined with initial emergency funding of £35k in July 2020 and generous support from local friends and donors, meant the theatre was able to retain a small core staff through 2020/21 and plan for future activities once the pandemic restrictions are eased.

The Arnaud team has always been innovative in the face of adversity and despite the extreme difficulties that the pandemic brought to both our daily operation and the pursuance of our long-term goals, the theatre has been able to deliver on some of its plans for the year albeit in different formats. With indoor work not permitted, in July the garden was repurposed as an outdoor venue for music and storytelling. Relationships with other arts and community organisations in the borough and county have strengthened during the year and as one of the only venues open in Guildford in the late summer and autumn, we were pleased to give a home to Guildford Jazz, The Guildford Book Festival and other artists.

We were gratified in July to receive a visit to the theatre from HRH Prince Edward Earl of Wessex. The Earl chose to visit the theatre during summer to draw attention to the challenges faced by regional theatres such as the Yvonne Arnaud. He met a group of staff and local actors including Patron Dame Penelope Keith and friends Patricia Hodge CBE and Jenny Seagrove OBE.

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Report of the Directors for the year ending 5 April 2021

December saw the first filming and streaming of an Arnaud theatre show. Our production of The Snow Queen adapted by Nick Stafford replaced the annual pantomime and played to a socially distanced audience for one week in December before it too became a casualty of the pandemic when Guildford was moved into tier four on the 19th of December forcing its early closure. However, the production was filmed and streamed to those members of our audience who were not able to come to the theatre or whose performances had been interrupted by the closure.

In January we published our Report on the Social and Economic Impact of the Arts in Surrey. This analysis, commissioned and led by the theatre during the pandemic, was undertaken by the School of Hospitality and Tourism at the University of Surrey for the theatre, Watts Gallery and the Lightbox in Woking. It has provided empirical data on the economic and social benefits the three institutions bring to Surrey and their immediate locale and makes a strong and unequivocal case for the value and need for arts funding.

During the summer and autumn, we were able to formalise our long-term plans to refurbish and rejuvenate the theatre's buildings and estate. The theatre is now 55 years old and in places in need of urgent repair and upgrading. Consultation with neighbours and stakeholders was on going throughout the year resulting in the creation of a Masterplan for the capital project at the end of the autumn. A Conservation Management Plan was also created to ensure the heritage of our grade two listed building was front and centre to our plans. The expediated deterioration caused by the closure periods have made the refurbishment programme critical to the theatre's future. A planning application for phase one of the Master plan was submitted in December and awaits a decision from the planners.

To support our capital ambitions, alongside other fundraising, the theatre has submitted an Expression of Interest to the Your Fund Surrey to support phase one of our capital plans.

During 2021 the Directors committed to increasing the diversity of board membership over the coming period. There were a few changes to the composition of the board during the year. Long serving trustees Jules Porter and Pat Grayburn MBE DL, both resigned during the year. London and West End Producer Emma Brunjes was appointed to the board. Julian Bird stepped down as Chair mid-way through the year, though he remains a Director. I would like to thank him for his stalwart chairmanship of the Board of Directors and Trustees for the last seven years and for his wise counsel. I would also like to thank Jules and Pat for their service and dedication to the theatre's prosperity.

Finally, on behalf of the board I would also like to record my thanks to the staff of the theatre who have worked tirelessly and flexibly to maintain and then rebuild the theatre during this period. Despite the stresses wrought by the pandemic and the uncertainty of the coming year, the theatre has weathered the worst of the situation and faces the future with renewed vigour and determination.

Stephen Bampfylde
Chairman

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Report of the Directors for the year ending 5 April 2021

Our Object and Activities

A regional theatre with a national reach - our mission is to produce and present vibrant, outstanding, entertaining drama for the many communities of Surrey and the South East. With a thriving studio space, youth theatre, creative learning and engagement programme, the theatre is an artistic resource and a cultural hub, enabling people across the South to experience the thrill and delight of live theatre.

The Yvonne Arnaud Theatre believes that art changes lives; that engagement in arts activity as a participant or an audience member is central to the wellbeing of an individual, to promoting good mental health and emotional engagement and that theatre is a cohesive and socialising force for good. The Yvonne Arnaud Theatre enriches the lives of the communities it serves by offering and encouraging opportunities for learning, for creativity and personal and social development through its broad programme of theatre and arts activity.

Vision

The Yvonne Arnaud Theatre will be a powerhouse in regional theatre, with a national profile and a reputation for producing and presenting entertaining, thrilling and inspiring theatre. Over the next five years, we will develop a thriving, diverse large audience for our work and establish our production and touring offer. Our Creative Learning and Participation Programme will work with disenfranchised and disadvantaged communities and young people across the county, making theatre and drama accessible to them. Our revitalised and refurbished estate will be a destination venue for audiences and others across the South and a home for local groups and communities.

Public Benefit

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance "public benefit: running a charity (PB2)". The theatre relies on grants and the income from fees and charges to cover its operating costs. Affordability and access to our programme is important to us and is reflected in our diversity and community report and our pricing policy set out later in this report. The work we programme and produce is intended to appeal to a diverse and broad range of communities and to promote, by engagement with the work, an understanding and appreciation of the world and others around them.

Our major areas of activity are listed below. The theatre remains a major arts provider in the South East, enabling people from across the community to enjoy and engage with theatre and the performing arts on many levels. . The theatre is committed to arts participation as a tool to explore the world, raise awareness, educate, empower, and inspire real and lasting change We run a number of discrete projects designed to foster appreciation and engagement in theatre and arts activities for particular underserved sections of our community. These include schools' workshops, post show discussions, tours and talks for groups and funded tickets for Young Carers. A programme of drama activity for those with special needs is offered. Captioned and signed performances for deaf people and the deaf and hard of hearing community as well as a relaxed performance for our annual Christmas show are part of our core offering. The theatre is also a regular meeting venue for many arts and activities groups in Guildford.

The theatre was closed on the 16th March 2020 at 6pm following a government directive due to the Covid 19 pandemic and remained dark initially until the 8th of August. The café/bar was closed on Friday the 20th March in response to social distancing measures and the lock down imposed on the 23rd March. The majority of permanent staff were furloughed on the Covid Job Retention Scheme (CJRS) until the end of June and then beyond. A small group of key staff in box office, marketing, IT and administration remained working remotely supporting the Finance Director and the Chief Executive, who remained in post.

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Report of the Directors for the year ending 5 April 2021

Achievements and Performance

At the start of the first lock down the theatre was facing a critical reduction in earned income, necessitating some difficult decisions for the organisation. Sustainability of the core operation was managed by drastic cost cutting and restructuring of resources. Staffing was reduced in all areas, from 34 at the start of the year to 14 at January 2021. The salaries of senior staff were temporarily reduced by consent and remaining staff agreed to a temporary change in terms and conditions, to work flexibly to cover roles. The company utilised government support including maximising the Covid Job Retention Scheme and using flexible furlough to enable us to retain experienced staff to undertake necessary work whilst controlling expenditure. Where possible all other expenditure was paused or reduced.

Throughout the year, the lack of certainty combined with no lead in time made putting any programme of work together extremely difficult for those times when the theatre was permitted to open. The requirement for reduced numbers in the auditorium meant the usual theatre programme of weekly touring drama was not cost effective. When possible, the theatre offered an agile programme of one-night events, aimed at a younger demographic who were less risk averse and responsive to low-cost on-line marketing, quick to programme. Box Office splits meant artist and venue shared the risk and core salary costs were already committed.

Despite being closed for the majority of the year and reducing to a minimal staffing from the summer, the theatre has been able to deliver on some of its plans for the year albeit in different formats. During the year a number of initiatives were put in place to make the theatre more resilient and efficient upon reopening. These included making changes to box office, front of house and stage door to save cost, improve customer experience and making better use of technology. More marketing was moved on line and on-line ticket sales were heavily promoted via digital and social media. Covid-secure working required us not to provide paper tickets, so the theatre moved to e-tickets. All bookings are now online, where you can select your socially distanced seating and add donations to purchases.

The theatre has recruited a large number of volunteer ushers to replace paid casual staff front of house making this part of our operation more cost efficient. The response to the call out for help was extremely encouraging and the volunteers have enriched the theatre's community with their engagement. In the summer a team of volunteers from Volunteer Surrey undertook some remedial work on the garden and later in the year a separate group of garden volunteers were recruited who have taken on the up keep of the riverside space. We are grateful to all our many volunteers for their support and commitment to the theatre.

We were able to use the closure periods to carry out improvements and repairs to the Hearing Loop System in the main house with funds from the Theatre's Trust. The front of house tannoy system and the auditorium sprinkler system were both casualties of closure and failed in the autumn, requiring immediate rectification.

The Main House Programme

The closure of the theatre by government directive on the 16th of March 2020 and the subsequent following lockdowns in November 2020 and then January 2021 decimated both the main house and studio programme for the year. Although July and August 2020 saw a brief relaxing of regulations, the social distance restrictions of 1 metre plus resulted in a reduced capacity in the main house of 220-257 seats. This was a 57% reduction of our usual capacity which made the majority of touring work unviable for producers.

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Report of the Directors for the year ending 5 April 2021

In order to offer some produce to the audience the usual main house programme was replaced with Live and Local, scratch theatre and a series of socially distanced one-night events, aimed at a younger demographic who are less risk averse. We combined this with our own work with local artists and companies. Due to the pandemic and the heavily restricted programme, attendance at the theatre was exceptionally low. 4123 people attended a performance during the year of which 1267 were new bookers who created an account in this period. However, it is likely that a large number of these “new” bookers were regular attenders creating an on-line account for the first time.

In the late summer when outdoor entertainment was permitted, we revitalised the garden as a discrete performance space. Socially distanced jazz and comedy events outside on warm summer days were hugely welcomed by audiences missing the shared pleasure of performance. Guildford Jazz, Jacob and Drinkwater, comedians Sara Keyworth and Catherine Bowheart all appeared as well as a one person show for children *Bottoms’ Dream*.

This was followed in the autumn with a programme of one-night events of cabaret and spoken word in the main house at a reduced capacity and with strict social distancing measures in place. Events included sell out performances from *Mischief Movie Nights* and *Theatrical Digs* produced by the theatre and starring Dame Penelope Keith CBE Michael Cochrane, Esh Alladi and Rosalie Craig. We also hosted the Guildford Book Festival for a week in October as their usual programme of activities had been affected by Covid venue closures.

November planned performances were disrupted by a second lock down causing the cancellation of Jeremy Vine, Lady Glen Conner and Guildford Jazz.

With huge regret, having had to cancel our much loved pantomime in July, we produced our own small cast Christmas production of *The Snow Queen* in December 2020. Three thousand people booked to see the show which received excellent reviews and audience approval. Unfortunately, halfway through the run we were closed once again by Covid restrictions but were able to film and then stream the performance online – a first for the Arnaud - to viewers all around the country.

The Mill Studio

The programme in the Mill studio is usually supported from income from the main house programme. Following the first lock down in March 2020 the decision was taken not to open the Mill Studio to public activities until the Mill could be programmed at full capacity.

Youth, education and outreach

The restructure of the Youth and Education Department begun last year was disrupted by the pandemic and subsequent necessary staffing reductions. In September, the departure of a retained longstanding member of the department for new opportunities combined with the deficit position of the activities, resulted in the decision being taken to suspend the programme for the rest of the year and delayed the recruitment of new staff until a definite end to lock down was in sight. In the interim period Outreach activities became the responsibility of the whole organisation and a number of smaller projects and events were offered. With students and others not able to meet in person a number of the offers were digital and on line.

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Report of the Directors for the year ending 5 April 2021

In response to a request from a number of schools and sixth forms, we have curated a series of short videos in which staff describe their roles in the theatre and their career paths, which are available on video and our YouTube channel for virtual careers days and fairs. The videos have been viewed a combined 67 times on YouTube (an average of 13.5 times per video across the 5 videos). The only people with access to the links to these videos are schools.

We are now able to offer our free venue tours virtually. A number of community groups have enjoyed a backstage glimpse, and some excellent stories about the theatre's history, in the company of our Head of Technical, Liza Cheal.

Continuing the digital theme, Marketing Officer Sam Read, created a series of short videos about the history of the theatre as a means of engaging with our audience whilst the theatre remained dark. Three have been made so far, with contributions in later episodes from David Suchet and Patricia Hodge. These were also shared on social media and received over 18,000 views.

We continued our partnership with Surrey Young Carers, offering young people and those they cared for, funded tickets to attend the first night of the Snow Queen. Funded tickets were also offered to NHS staff at Royal Surrey County Hospital.

The short respite in closure periods enabled the adult drama group to briefly return in the summer. However as the café and bar remained closed unless there was a performance, we were unable to host our usual community groups who meet regularly in our foyer and café.

With the majority of staff furloughed for large parts of the year activity and operations were greatly reduced. With no shows to market, the Marketing and Audience Development team turned their focus to communication and social media engagement. There were a number of engagement points with Friends and Members throughout the year, including regular newsletters and the launch of the history of the Arnaud films shared by email and on social media.

As expected, a substantial decline in the number of Friends Memberships was recorded throughout the year. Numbers at the end of the year reduced to 435 in comparison with 1,144 at the same point in the previous year. This was also the case with Vanbrugh supporters, with numbers falling from 202 to 154 at the end of April 21.

Partnerships

Despite the challenges the theatre was able to strengthen local partnerships further this year. Collaborations with Watts Gallery, the Light Box Woking and the University of Surrey led to the creation of A Report on the Economic and Social Impact of the Arts in Surrey. The theatre played an enhanced role in supporting our local Business Improvement District (BID) Experience Guildford, advising on town reopening plans. In the autumn the Arnaud was pleased to host the Guildford Book Festival at the theatre where our foyer and bar areas facilitated socially distanced readings, interviews and book signings.

Other support for local companies included partnering with Guildford Shakespeare Company on their production of *The Wind in the Willows*, re-imagined for a Zoom audience, which played online to over 500 people and has been awarded an Oncom award from Off West End Theatre Awards. We developed a new relationship with Guildford Jazz, relocating their musicians to our garden and main stage when they lost their venues due to the pandemic.

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Report of the Directors for the year ending 5 April 2021

Financial review

The theatre reported a small surplus in the year of £7,891 (2020: deficit of £1,069). The principal funding sources of income were grant funding from Guildford Borough Council of £310,220 (2020: £310,220), from the Arts Council England of £277,540 (2020: £nil) and government funding through the Coronavirus Job Retention Scheme of £265,201 (2020: £4,559). The trustees are grateful for the support of Guildford Borough Council in offering a rolling three-year funding agreement to the theatre allowing the ability to plan ahead with greater certainty.

The trading subsidiary results have all been consolidated into the group results. All profits generated by trading subsidiaries are used to assist the theatre charities to meet their objectives.

Our pricing policy

Our pricing policy reflects our strategy of enabling all within our community, whatever their means, to take part in our activities and to attend our theatre. We offer discounted rates to schools, students, senior citizens and low-income groups. Discounts are also available for large group bookings. Concessions are intended to foster and encourage an appreciation of and engagement with theatre and drama. Concessions were reviewed at the end of the financial year in preparation for the theatre's reopening. Improvements were made to student and young person's discounts and an early bird offer introduced to enable regular bookers, and in particular senior citizens, to book earlier whilst still gaining a reduced ticket price.

Investment powers and policy

The directors, having regard to the liquidity requirements of operating the theatre, have kept available funds in instant access deposit accounts. Although trustees seek to achieve a rate on deposit that either matches or exceeds the rate of inflation, due to wider economic circumstances deposit rates have been depressed and so this aim was not achieved in the year. Cash reserves surplus to day-to-day operating requirements are held by Yvonne Arnaud Theatre Trust and placed on longer term deposits. The invested funds held on deposit achieved an average rate of 0.79% (2020: 0.97%).

Reserves policy and going concern

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The building will be fifty-six years old in 2021 and it is prudent to plan for expenditure in infrastructure and Mechanical and Engineering services as well as the access needs of the audience. The trustees are aware of the pressures on current reserves to fund many of the on-going building repairs and repairs and replacements necessary to the antiquated equipment needed for running the performances in the main auditorium. This will continue to provide a challenging environment in which to operate in the next few years. As a grade two listed building and a unique and much loved example of modernist architecture, the trustees will be considering how best to invest in and maintain the building, to preserve it for future generations.

With the temporary theatre closure because of the Covid-19 pandemic, the directors consider that the ideal minimum level of reserves to cover ongoing operations as at 5 April 2021 would be £500k. Losses incurred by the theatre in the past have eroded current reserves and unrestricted reserves at the year-end totalled £146k. The Theatre Trust will be providing financial support to help weather this storm.

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Report of the Directors for the year ending 5 April 2021

Plans for future periods

It is clear that 2021/22 will be much tougher for the theatre as box office revenue, donations and other income will be severely impaired in the first two quarters of the year. We will need to invest in rebuilding the operation before we see steady box office income, which will make cash flow management critical. The full effect of the pandemic on audience confidence and appetite is unknown. However, we have managed to retain a motivated and increasingly skilled team and the changes we have made to our operating model should support us well through the year.

For the immediate future the senior team will be focusing on rebuilding the theatre's day to day activities, resourcing the operation and recruiting staff. A new Head of Creative Learning has been appointed and a Creative Learning Strategy will be launched in August 2021. The catering operation has relaunched firstly to serve audiences attending events and also daytime opening of the café service. We intend to be able to offer a full service by September, also implementing the changes to service and offer that were planned pre pandemic.

A recruitment drive for Friends and Vanbrugh Members is planned for late summer in tandem with the launch of the autumn season and what we hope will be a full programme of work. Pantomime is on sale and already attracting good tickets sales from groups and individuals.

The threat of closure has not gone away. Box office and attendance assumptions will remain cautious for the majority of the year as research and current sales patterns indicate it will take time for audience confidence to return.

Our plan to produce our own work will be reignited, with the new production Siobhan Basset's *Hound of The Baskervilles* being the first show to open the theatre in June 2021 and our touring production of *Sheila's Island* (cancelled from May 2020) being revived for production at the theatre in February 2022 and then subsequent national tour.

Structure, Governance and Management

Governing document

The Yvonne Arnaud Theatre Management Limited is a company limited by guarantee and a registered charity. The Memorandum and Articles of Association, dated 4th August 1964, amended 5th April 1965 and 8th March 1976, govern the charitable company. The theatre opened in 1965 and lays claim today to be one of the country's leading regional theatres.

Appointment of directors

The charitable company's Articles of Association stipulate that there should be not less than nine nor more than fifteen ordinary directors. Guildford Borough Council also has the right to nominate up to two additional directors. In accordance with article 28, one third of the ordinary directors retire from office each year. All retiring directors are eligible and offer themselves for re-election. All directors are also trustees of Yvonne Arnaud Theatre Trust.

New directors may be appointed by the existing directors, the appointment being subsequently approved by the members at the Annual General Meeting. All directors of Yvonne Arnaud Theatre Management Limited must also be members of the charitable company. The members are nominated by the Trustees of Yvonne Arnaud Theatre Trust. The liability of members is limited to £1 each.

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Report of the Directors for the year ending 5 April 2021

Director induction and training

New directors are recruited with the aim of ensuring that the balance of skills and experience held by board members is maintained and relevant to the objectives of the charity. New directors are invited to participate in an induction process, which includes meeting with the theatre staff and a one to one with the Chief Executive and Finance Director. An understanding of theatre operations is provided through meetings with heads of department and senior personnel. Background papers, including business plans, key reports from funding bodies, and financial information are provided. Directors are also sent updates from the Charity Commission and a copy of the Good Trustee Guide.

Organisation

The board of Yvonne Arnaud Theatre Management Limited ("Management") meets quarterly and there are sub-committees covering building projects, finance and audit, which meet more frequently.

Responsibility for the day-to-day operations is vested in the Director and Chief Executive who is appointed by the board of Management. To facilitate effective operations, the Director and Chief Executive has delegated authority, within terms of delegation approved by the directors, for operational matters including finance, employment and artistic performance related activity.

The bars and restaurant areas within the theatre are operated through a subsidiary of Management, Yvonne Arnaud Theatre (Catering) Limited ("Catering"). Catering is not a registered charity, but provided it has distributable reserves, covenants an amount equivalent to any annual taxable profits direct to Yvonne Arnaud Theatre Trust.

There is one further subsidiary of Management. Yvonne Arnaud Theatre (Productions) Limited is commissioned by Management to take responsibility for the pre-production, rehearsal and running of all in-house productions.

Fundraising

The year has been a challenging climate in which to raise funds for the arts with a large number of regular funders redirecting resources towards pandemic support. Necessary reductions in costs and overheads during the first lock down led to the planned recruitment of a third fundraising post being halted and for personal and career reasons the team reducing to one part time manager during the course of the year. Administration support for the department was provided by box office and finance staff with the Theatre Director providing additional fundraising resource.

Nevertheless, we were successful in achieving a small number of grants for Covid pandemic support from the Theatre's Trust and the University of Surrey. A number of applications to larger Trusts offering support for arts charities affected by the pandemic were unsuccessful due to the funds being heavily oversubscribed. Donations due to ticket cancellations made a useful contribution of £31k towards revenue costs, with many patrons choosing to donate some or part of the ticket price of their cancelled shows.

The fundraising committee established last year met several times during the year to plan the quiet fundraising phase. Charlie Geffen and Paul Lomas joined the committee to support capital plans and increase the organisations networks across the county.

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Report of the Directors for the year ending 5 April 2021

As anticipated in the current financial climate and the refocusing of corporate sponsors towards social and local support, we also saw a reduction in the number of corporate sponsors this year. We expect this trend to continue and in restructuring the fundraising strategy for the future have focused on individual giving and trusts and foundation income as more likely sources of support.

To thank some of our most long-standing supporters and generous Covid-19 crisis donors, Dame Penelope Keith entertained a small audience in conversation with Joanna Read. Reminiscences of an exceptional stage and TV career were much enjoyed in the foyer despite a downpour outside.

The Yvonne Arnaud theatre operates an internal fundraising team and does not engage commercial fundraising participators to carry out fundraising activity. As part of our compliance with the General Data Protection Regulations the theatre has reviewed and updated its privacy policy. The policy is available at www.yvonne-arnaud.co.uk/privacy-policy. The policy clearly states what personal data we will hold in relation to supporters and how this information will be used. The theatre has received no complaints about its fundraising activities either during the financial year or subsequently.

Related parties and co-operation with other organisations

None of our directors receive remuneration or other benefit from their work with the charity. Any connection between a director or senior manager of the charity with either a production or production company must be disclosed to the full board of directors in the same way as any other contractual relationship with a third party.

Guildford Borough Council provide essential core funding in support of the artistic programme as an amenity for local residents and the public. The Council actively promote the work of the charity in their tourist information facilities and take an active interest in, the educational and community liaison programme. A summary of transactions is set out in note 17 to the financial statements.

Pay policy for senior staff

The directors consider that the board of directors are responsible for reviewing policy according to the Memorandum and Articles of Association. The senior management team comprise the key management personnel of the charity, in charge of directing and controlling, running and operating the company on a day-to-day basis. All directors give of their time freely and no director received remuneration in the year. Related party transactions are disclosed in note 17 to the financial statements.

The pay for senior staff is reviewed annually. Where an increase is made it will be no greater than the percentage increase made to the legally set national minimum wage rates. Given that financial sustainability is one of the major risks for both the charity and its subsidiaries, an increase in pay rates will not always be made. No salary increases were awarded to staff in 2020/21. In the 2019/20 year, a 2% pay increase was awarded to staff earning below £25,000.

Risk management

The major risks to which the charity is exposed have been identified by the directors and procedures are in place to mitigate them. A formal risk analysis review is presented annually and the risk register is reviewed and updated as a live document with the top risks being presented at each board meeting. In critical areas, particularly those involving emergency procedures, fire and health and safety, management teams conduct regular meetings on a more frequent basis and regular awareness training for staff working in these operational areas.

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Report of the Directors for the year ending 5 April 2021

Directors' responsibilities in relation to the financial statements

The directors are responsible for preparing a directors' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors 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.

Statement as to disclosure to our auditors

In so far as the directors are aware at the time of approving our directors' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charitable company's auditor is unaware, and
- the directors, having made such enquiries of fellow directors and the charitable company's auditor that they ought to have made, have each taken all steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of directors



Mr Stephen Bampfylde
20 July 2021

Independent Auditor's Report to the Members of Yvonne Arnaud Theatre Management Limited for the year ended 5 April 2021

Opinion

We have audited the financial statements of Yvonne Arnaud Theatre Management Limited (the 'charitable company') for the year ended 5 April 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including 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 charitable company's affairs as at 5 April 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the directors annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 Auditor's Report to the Members of Yvonne Arnaud Theatre Management Limited for the year ended 5 April 2021

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

We have nothing to report in this regard.

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement (set out on page 9), the directors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Yvonne Arnaud Theatre Management Limited for the year ended 5 April 2021

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charitable company and industry, we identified the principal risks of non-compliance with laws and regulations. We also obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on those that had a direct effect on material figures and disclosures in the financial statements. The main regulations considered in this context included the Charities Act 2011, Companies Act 2006, FRS 102 and Charity SORP.

We evaluated the incentives and opportunities for fraud in the financial statements, including, but not limited to, the risk of override of controls, and designed procedures in response to these risks as follows;

- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates were indicative of a potential bias, and;
- evaluating the business rationale of any significant transactions that were unusual or outside the normal course of business.

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

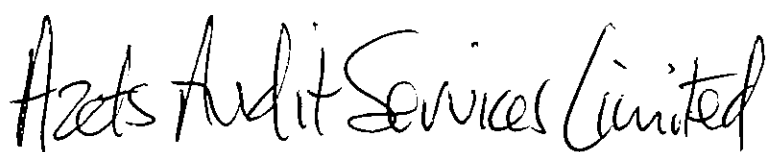
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

**Independent Auditor's Report to the Members of Yvonne Arnaud Theatre Management Limited for the
year ended 5 April 2021**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Azets Audit Services Limited". The signature is written in a cursive, flowing style.

Alex Temlett CA ACA CTA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services Limited, Statutory Auditor

20 July 2021

Ashcombe Court
Woolsack Way
Godalming
Surrey GU7 1LQ

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Statement of Financial Activities (incorporating income and expenditure account)
For the Year Ended 5 April 2021

	Note	2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Income and endowments from:					
<i>Donations and legacies</i>	3	44,293	93,327	137,620	418,356
<i>Charitable activities</i>					
- Operation of Main House	6	1,125,605	7,450	1,133,055	3,347,546
- Youth & Education Programme	6	20,703	-	20,703	300,179
		<u>1,146,308</u>	<u>7,450</u>	<u>1,153,758</u>	<u>3,647,725</u>
<i>Other trading activities</i>					
- External set building		-	-	-	66,824
- Vanbrugh Supporter subscriptions		48,027	-	48,027	61,736
- Management charges to subsidiaries		60,000	-	60,000	100,000
	7	<u>108,027</u>	<u>-</u>	<u>108,027</u>	<u>228,560</u>
<i>Investment income - bank interest</i>	7	922	-	922	748
Total income		<u>1,299,550</u>	<u>100,777</u>	<u>1,400,327</u>	<u>4,295,389</u>
Expenditure on:					
<i>Raising funds</i>					
- External set building		-	-	-	(28,730)
- Vanbrugh Supporter subscriptions		-	-	-	(672)
	8	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,402)</u>
<i>Charitable activities</i>					
- Operation of Main House	9	(1,261,384)	(100,777)	(1,362,161)	(3,769,422)
- Youth & Education Programme	9	(30,275)	-	(30,275)	(497,634)
		<u>(1,291,659)</u>	<u>(100,777)</u>	<u>(1,392,436)</u>	<u>(4,267,056)</u>
Total expenditure		<u>(1,291,659)</u>	<u>(100,777)</u>	<u>(1,392,436)</u>	<u>(4,296,458)</u>
Net income/(expenditure)		7,891	-	7,891	(1,069)
Transfers between funds		-	-	-	-
Net movement in funds	11	<u>7,891</u>	<u>-</u>	<u>7,891</u>	<u>(1,069)</u>
Reconciliation of funds:					
Total funds brought forward at 6 April 2020		138,698	-	138,698	139,767
Total funds carried forward at 5 April 2021	24/25	<u>146,589</u>	<u>-</u>	<u>146,589</u>	<u>138,698</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.


YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Balance Sheet as at 5 April 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed Assets					
Investments	18		5		5
Tangible fixed assets	19		<u>667,357</u>		<u>790,022</u>
			667,362		790,027
Current Assets					
Debtors	20	224,995		242,118	
Cash at bank and in hand	21	<u>611,211</u>		<u>409,028</u>	
		836,206		651,146	
Creditors: Amounts falling due within one year	22	<u>(1,356,979)</u>		<u>(1,302,475)</u>	
Net Current Liabilities			(520,773)		(651,329)
Total assets less current liabilities			<u>146,589</u>		<u>138,698</u>
Net Assets			<u>146,589</u>		<u>138,698</u>
Funds					
Unrestricted general funds:	24		146,589		138,698
Restricted funds	25		-		-
			<u>146,589</u>		<u>138,698</u>

These accounts have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

The accounts were approved by the board on 20 July 2021.



 Mr Stephen Bampfylde

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Notes to the Accounts for the Year Ended 5 April 2021

1. General Information

The company is a charitable company (limited by guarantee) both registered with the Charity Commission and incorporated in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of its registered office is Millbrook, Guildford, Surrey GU1 3UX.

2. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(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 preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Yvonne Arnaud Theatre Management Ltd 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(s).

(b) Preparation of the accounts on a going concern basis

The Covid-19 pandemic is adversely affecting and is expected to continue to adversely affect all theatre business. Forecasts have been prepared taking into account a decline in revenues for a period of between 12 and 24 months. The theatre has implemented cost saving measures cutting overheads, retaining a smaller staff and implementing salary cuts.

The forecasts predict that the charitable company will be able to continue as a going concern for a period of twelve months from the date on which these accounts are signed. Based on the forecasts, the directors believe that it is appropriate to prepare these accounts on a going concern basis.

(c) Income

Income is recognised when:

- The charity has entitlement to the funds,
- Any performance conditions attached to the item(s) have been met,
- It is probable that the income will be received, and
- The amount can be measured reliably.

Income from commercial trading activities is recognised as the related goods and services are provided. Income is deferred when admission fees or performance grants are received in advance of the performance or event to which they relate. Where a show straddles the year end, box office revenue relating to that show is reflected in the accounts in which the majority of performances fall.

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Notes to the Accounts for the Year Ended 5 April 2021

2. Accounting Policies (continued)

(c) Income (continued)

Income from government, local authority 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.

(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 that economic benefit can be measured reliably.

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.

(f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity at the discretion of the directors. Restricted funds are donations which the donor has specified are to be used solely for particular areas of the charity’s work.

(g) Operating leases

Rental charges paid under operating leases are charged on a straight line basis over the term of the lease.

(h) Expenditure and irrecoverable VAT

Expenditure is recognised when:

- There is a legal or constructive obligation to make a payment to a third party,
- It is probable that settlement will be required, and
- The amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading.
- Expenditure on charitable activities includes expenditure associated with stage productions and educational programmes and include both the direct costs and support costs relating to these activities.

The direct expenses of a show straddling the year end are reflected in the financial statements in which the majority of performances fall. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Notes to the Accounts for the Year Ended 5 April 2021

2. Accounting Policies (continued)

(i) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's artistic programmes and activities. These costs have been allocated against charitable activities in proportion to the direct costs incurred for each of the categories of charitable activities.

(j) Redundancy costs

Redundancy costs are recognised at the point where the charity is committed to making the payment in return for employee redundancy.

(k) Investments

Investments in subsidiary undertakings are included in the accounts at cost, less provision for impairment.

(l) Tangible fixed assets

Individual fixed assets costing £500 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Improvements to leasehold premises	10 to 20 years
Theatre, workshop, office and catering equipment	5 years
Computer equipment	4 to 5 years

(m) Stocks

Consumable goods are written off in the year in which the expenditure is incurred.

(n) 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.

(o) Cash at bank and in hand

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

(p) Creditors and provisions

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.

(q) Pension costs

The pension costs charged in the financial statements represent the amounts payable by the charitable company during the period to defined contribution pension schemes operated by insurance companies.

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Notes to the Accounts for the Year Ended 5 April 2021

2. Accounting Policies (continued)

(r) Group accounts

The financial statements present information about the charitable company as an individual undertaking and not about its group. See note 28 for details of consolidated accounts prepared by the Ultimate Controlling Party.

(s) Summary of disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- The requirements of Section 7 Statement of Cash Flows

(t) Comparative period reclassifications

The Statement of Financial Activities and related notes for the comparative period include reclassifications which have been made to bring the comparatives in line with the current year presentation. The principal changes to the current year presentation, which the directors consider provide clearer information that is more in line with internal financial reporting and monitoring are:

- Grossing up of marketing costs and income for friends membership,
- Moving all permanent staff costs, including permanent crew, from production to overhead costs and
- Presenting income from the Coronavirus Job Retention Scheme as grant income rather than offsetting against wages as was the case last year due to the small amount of income in that year.

3. Donations and legacies

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Yvonne Arnaud Theatre Trust	13,703	93,327	107,030	319,596	95,760	415,356
Donated services	-	-	-	3,000	-	3,000
Donation of ticket refunds	30,590	-	30,590	-	-	-
	<u>44,293</u>	<u>93,327</u>	<u>137,620</u>	<u>322,596</u>	<u>95,760</u>	<u>418,356</u>

The charity is grateful to a number of local businesses who have supported the theatre through the donation of their services. The estimated value of these services is recognised within incoming resources as a donation and equivalent charges included within production costs, advertising and publicity and cleaning, repairs and maintenance.

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Notes to the Accounts for the Year Ended 5 April 2021

4. Youth and education performance grants

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Youth & Education Grant Funding:						
The Bernard Coleman Charitable Trust	-	-	-	-	1,000	1,000
The Boris Karloff Foundation	-	-	-	-	2,000	2,000
The Coleman Charitable Trust	-	-	-	-	1,000	1,000
Community Foundation for Surrey	-	-	-	-	3,000	3,000
The D'Oyly Carte Charitable Trust	-	-	-	-	3,000	3,000
The Grey Court Trust	-	-	-	-	1,000	1,000
The Shanly Foundation	-	-	-	-	600	600
Other Donations of less than £500	-	-	-	-	385	385
Private Donor to Youth Programme	-	-	-	28,000	-	28,000
CJRS Support Grant	16,854	-	16,854	1,031	-	1,031
	<u>16,854</u>	<u>-</u>	<u>16,854</u>	<u>29,031</u>	<u>11,985</u>	<u>41,016</u>

The £11,985 received towards the Youth & Education programme in 2020 has helped to fund:

- The Discover Drama project, providing drama workshops for young people with moderate learning difficulties,
- Equipment to provide a toolkit to support the Discover Drama classes,
- The assisted place scheme for children from low income families to attend classes, and
- The targeted placements scheme, working with the family support service at Guildford Borough Council to provide new opportunities for youngsters to get involved in classes or community activities, where it is felt to be beneficial.

5. Main house performance grants

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Guildford Borough Council	310,220	-	310,220	310,220	-	310,220
Arts Council Funding						
Emergency Response Funds	35,000	-	35,000	-	-	-
Cultural Recovery Fund	242,540	-	242,540	-	-	-
CJRS Support Grant	265,201	-	265,201	4,559	-	4,559
Local Restrictions Support Grant	22,928	-	22,928	-	-	-
The Theatres Trust	-	6,400	6,400	-	-	-
Surrey University	-	1,050	1,050	-	-	-
	<u>875,889</u>	<u>7,450</u>	<u>883,339</u>	<u>314,779</u>	<u>-</u>	<u>314,779</u>

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Notes to the Accounts for the Year Ended 5 April 2021

6. Income from charitable activities

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Operation of Main House						
Box office income	90,635	-	90,635	2,574,205	-	2,574,205
Production commissioning	139,812	-	139,812	377,941	-	377,941
Business consortium	-	-	-	25,533	-	25,533
Friends memberships	18,123	-	18,123	40,612	-	40,612
Sundry income	1,146	-	1,146	14,476	-	14,476
Performance grants (see note 5)	875,889	7,450	883,339	314,779	-	314,779
	<u>1,125,605</u>	<u>7,450</u>	<u>1,133,055</u>	<u>3,347,546</u>	<u>-</u>	<u>3,347,546</u>
Youth & education programme						
Education related income	-	-	-	114,736	-	114,736
Production commissioning	3,849	-	3,849	144,427	-	144,427
Performance grants (see note 4)	16,854	-	16,854	29,031	11,985	41,016
	<u>20,703</u>	<u>-</u>	<u>20,703</u>	<u>288,194</u>	<u>11,985</u>	<u>300,179</u>
	<u>1,146,308</u>	<u>7,450</u>	<u>1,153,758</u>	<u>3,635,740</u>	<u>11,985</u>	<u>3,647,725</u>

7. Other trading activities and investment income

The income from other trading activities and investment income for the 2020 comparative year was all unrestricted.

8. Raising funds

The expenditure on raising funds from the 2020 comparative year was all from unrestricted funds.

9. Analysis of expenditure on charitable activities

	2021			2020		
	Main House	Youth & Ed	Total	Main House	Youth & Ed	Total
	£	£	£	£	£	£
Production costs	88,388	-	88,388	1,383,754	-	1,383,754
Irrecoverable VAT	3,072	-	3,072	191,736	-	191,736
Production commissioning fee	119,606	3,233	122,839	334,863	124,881	459,744
Production company grant	3,252	-	3,252	3,353	-	3,353
Staff costs	-	26,798	26,798	-	122,341	122,341
Other youth & ed direct costs	-	244	244	-	5,239	5,239
Governance & support (note 10)	1,147,843	-	1,147,843	1,855,716	245,173	2,100,889
	<u>1,362,161</u>	<u>30,275</u>	<u>1,392,436</u>	<u>3,769,422</u>	<u>497,634</u>	<u>4,267,056</u>

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Notes to the Accounts for the Year Ended 5 April 2021

9. Analysis of expenditure on charitable activities (continued)

The expenditure on charitable activities was £1,392,436 (2020: £4,267,056) of which £1,291,659 (2020: £4,159,311) was unrestricted and £100,777 (2020: £107,745) was restricted.

10. Analysis of governance and support costs

	2021			2020		
	Theatre operation	Governance	Total	Theatre operation	Governance	Total
	£	£	£	£	£	£
Advertising & publicity	17,861	-	17,861	242,334	-	242,334
Staff costs	654,022	-	654,022	1,085,590	-	1,085,590
Property costs	230,578	-	230,578	347,718	-	347,718
Office costs	57,861	-	57,861	117,849	-	117,849
Professional fees	32,861	5,500	38,361	46,519	13,800	60,319
Depreciation & loss on disposal	124,526	-	124,526	148,200	-	148,200
Travel and subsistence	1,261	-	1,261	12,070	-	12,070
Bank & credit card charges	6,064	-	6,064	35,937	-	35,937
Bad Debts	(1,200)	-	(1,200)	1,200	-	1,200
Irrecoverable VAT	18,509	-	18,509	49,672	-	49,672
	<u>1,142,343</u>	<u>5,500</u>	<u>1,147,843</u>	<u>2,087,089</u>	<u>13,800</u>	<u>2,100,889</u>

The charitable company allocates its governance and support costs as shown in the table above and then further apportions those costs between the two charitable activities undertaken (see note 9). These costs are allocated on a basis consistent with the use of resources.

11. Movement in total funds for the year

This is stated after charging the following:

	2021	2020
	£	£
Depreciation of tangible fixed assets	124,526	148,199
Auditors' remuneration - external audit	5,500	13,800
Operating leases - rent	83,751	83,751
Staff costs (note 13)	<u>712,295</u>	<u>1,388,117</u>

12. Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Notes to the Accounts for the Year Ended 5 April 2021

13. Staff costs, director remuneration and expenses and the cost of key management personnel

	2021	2020
	£	£
Wages and salaries	639,117	1,275,500
Social security costs	50,184	83,705
Other pension costs	22,994	28,912
	<u>712,295</u>	<u>1,388,117</u>

The amount for wages and salaries of cast, musicians, stage management and casual staff included above was £69,652 (2020: £475,717), inclusive of social security costs. Such persons are not employed on a regular basis throughout the year and do not appear in the staff numbers table (note 14).

Fourteen (2020: three) compulsory redundancies were made in the year. Redundancy payments of £11,006 (2020: £17,540) are included in the amount for wages and salaries for the year.

One employee received emoluments in the range £60,001 to £70,000 and one employee received emoluments in the range £70,001 to £80,000 during the year (2020: one employee received emoluments in the range £70,001 to £80,000 and one employee received emoluments in the range £80,001 to £90,000). Pension contributions of £8,500 (2020: £9,862) were made on behalf of the higher paid employee.

None of the directors received any remuneration or expenses during the current or previous years, in their role as directors.

The key management personnel of the charity comprise the directors, the Theatre Director and Chief Executive, the Director of Finance and the Director of Marketing and Customer Experience. The total employee benefits of the key management personnel of the charity were £201,540 (2020: £219,158).

14. Staff numbers

The average monthly number of persons employed under contracts of service by the charitable company during the year, excluding cast, musicians and stage management was as follows:

	2021	2020
	No	No
Management and administration	12	15
Box office and front of house	3	6
Production	5	6
Youth and education	2	6
	<u>22</u>	<u>33</u>

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Notes to the Accounts for the Year Ended 5 April 2021

15. Pension costs

Since 1st July 2014, employees of the theatre have either received a contribution into a pre-existing personal pension scheme as agreed in their contract of employment or an auto enrolment pension scheme that complies with government legislation. The theatre has incurred total pension contribution costs in the year amounting to £22,994 (2020: £28,912). This cost represented payments to defined contribution pension schemes for thirty-one employees (2020: forty-four). At the year-end a balance of £963 was due to the pension provider (2020: £2,405 due to the pension provider).

16. Government Grants

Income from government grants comprises performance related grants made by the local authority to fund the artistic and theatrical programme of Yvonne Arnaud Theatre Management Ltd. The charity has also benefitted from a number of government grants to help with the closure of the building during the Covid pandemic. Funds have been received from the Local Restrictions Support Grant, The Coronavirus Job Retention Scheme (CJRS) and The Arts Council Cultural Recovery Fund.

17. Related party transactions

The charity enjoys a close working relationship with Guildford Borough Council and receives funding of £310,220 (2020: £310,220) to enable the charity to carry out its objectives. The Council has the right to nominate up to two directors. All the funding was received to provide services and has been included in the financial statements under incoming resources from charitable activities.

In the year ended 2020, one of the directors, Mr Peter Gordon, was paid £17,000 for his role in the pantomime, *Sleeping Beauty*. This payment was calculated and made on normal commercial terms.

The charity undertook the following transactions during the year with its parent company and subsidiary companies:

Inter-entty transactions during the year to 5 April are as follows:	2021	2020
	£	£
Yvonne Arnaud Theatre (Catering) Limited		
Management charge receivable	-	25,000
Balance due to/(from) YAT Management Ltd at 5 April	<u>44,468</u>	<u>7,141</u>
Yvonne Arnaud Theatre (Productions) Limited		
Grant payable	(3,252)	(3,353)
Commissioning income receivable	143,661	522,368
Sub-commissioning fee payable	(122,839)	(459,744)
Loan payable to YAT (Productions) Ltd at 5 April	(25,681)	(25,681)
Balance due to/(from) YAT Management Ltd at 5 April	<u>17,965</u>	<u>47,045</u>

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Notes to the Accounts for the Year Ended 5 April 2021

17. Related party transactions (continued)

Inter-entity transactions during the year to 5 April are as follows:	2021	2020
	£	£
Yvonne Arnaud Theatre Trust		
Grant receivable	82,452	388,345
Management charge receivable	60,000	75,000
Rent payable	(40,000)	(40,000)
Balance due (from)/to YAT Management at 5 April	<u>(732,245)</u>	<u>(571,220)</u>

18. Investments

At the year-end, the charitable company holds 100% of the ordinary share capital of Yvonne Arnaud Theatre (Catering) Limited and Yvonne Arnaud Theatre (Productions) Limited, both of which are registered in England and Wales.

Cost at 6 April 2020 and 5 April 2021:	Company number	2020	2019
		£	£
Yvonne Arnaud Theatre (Catering) Limited	847430	5	5
Yvonne Arnaud Theatre (Productions) Limited	1925822	-	-
		<u>5</u>	<u>5</u>

The following information is relevant for each subsidiary undertaking:

	Turnover for year ended 5-Apr-21 £	Expenditure for year ended 5-Apr-21 £	Profit/(Loss) for year ended 5-Apr-21 £	Capital and reserves at 5-Apr-21 £
Yvonne Arnaud Theatre (Catering) Limited	<u>7,469</u>	<u>(37,854)</u>	<u>(30,385)</u>	<u>52,808</u>
Yvonne Arnaud Theatre (Productions) Limited	<u>122,839</u>	<u>(146,913)</u>	<u>-</u>	<u>25,681</u>

The profit for the year is stated after deduction of annual covenants, grants received from the parent undertaking and corporation tax.

The directors have taken advantage of the exemption conferred by Section 400 of the Companies Act 2006 and Section 139 of the Charities Act 2011 from the requirement to prepare group accounts as its results are consolidated into the accounts of its parent, Yvonne Arnaud Theatre Trust.

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Notes to the Accounts for the Year Ended 5 April 2021

19. Tangible fixed assets

	Improvements to leasehold premises £	Computer equipment £	Theatre workshop, office and catering equipment £	Total £
Cost:				
At 6 April 2020	1,617,536	115,696	397,076	2,130,308
Additions	-	1,861	-	1,861
Disposals	-	-	-	-
At 5 April 2021	<u>1,617,536</u>	<u>117,557</u>	<u>397,076</u>	<u>2,132,169</u>
Depreciation:				
At 6 April 2020	846,210	107,596	386,480	1,340,286
Charge for the year	115,077	3,867	5,582	124,526
Depreciation on disposals	-	-	-	-
At 5 April 2021	<u>961,287</u>	<u>111,463</u>	<u>392,062</u>	<u>1,464,812</u>
Net book value:				
At 5 April 2021	<u>656,249</u>	<u>6,094</u>	<u>5,014</u>	<u>667,357</u>
At 5 April 2020	<u>771,326</u>	<u>8,100</u>	<u>10,596</u>	<u>790,022</u>

20. Debtors

	2021 £	2020 £
Trade debtors	2,947	37,852
Amounts due from subsidiary undertakings	62,433	54,186
Other debtors	-	1,994
VAT recoverable	6,200	10,734
Prepayments	<u>153,415</u>	<u>137,352</u>
	<u>224,995</u>	<u>242,118</u>

Balances due from both the parent and subsidiary undertakings are unsecured and interest free with no fixed date for repayment.

21. Cash

Of the cash balances held at 5th April, £136,850 (2020: £255,326) is for advance ticket sales in relation to future shows. These amounts are held on behalf of third parties.

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Notes to the Accounts for the Year Ended 5 April 2021

22. Creditors: amounts falling due within one year

	2021	2020
	£	£
Advance bookings	136,850	255,326
Trade creditors	31,914	163,885
Yvonne Arnaud Theatre Trust	732,245	571,220
Amounts due to subsidiary undertakings	25,681	25,681
Other creditors	104,804	80,345
CBILS bank loan	240,000	-
Other taxes and social security	11,316	25,328
Accruals and deferred income	74,169	180,690
	<u>1,356,979</u>	<u>1,302,475</u>

Balances due to both the parent and subsidiary undertakings are unsecured, interest free and have no fixed date for repayment.

The CBILS bank loan is secured by the way of a fixed and floating charge over the assets of the charity.

23. Deferred income

	2021	2020
	£	£
Opening balance at 6 April 2020	358,360	288,271
Amounts deferred in the year	140,431	358,360
Amount released to incoming resources	(358,360)	(288,271)
Closing balance at 5 April 2021	<u>140,431</u>	<u>358,360</u>

Deferred income includes box office income in advance, and grants which the donor has specified must be used in future accounting periods.

24. Reconciliation of Movement in total funds – Unrestricted funds

	Income and expenditure account £
Brought forward at 6 April 2020	138,698
Incoming Resources	1,299,550
Outgoing Resources	<u>(1,291,659)</u>
Carried forward at 5 April 2021	<u>146,589</u>

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Notes to the Accounts for the Year Ended 5 April 2021

25. Reconciliation of Movement in total funds – Restricted funds

	Capital Refurb £	Young & Disadvantaged Funding £	Theatres Trust Funding £	Digital Funding £	Total £
Brought forward at 6 April 2020	-	-	-	-	-
Incoming Resources	92,652	675	6,400	1,050	100,777
Outgoing Resources	(92,652)	(675)	(6,400)	(1,050)	(100,777)
Carried forward at 5 April 2021	-	-	-	-	-

Total funds of £93,327 (2020: £95,760) were received in the year from Yvonne Arnaud Theatre Trust. £92,652 was in relation to two significant capital projects undertaken in the last few years. In summer 2018, the theatre's dimmer lighting system was replaced at a cost of £445,301 and auditorium refurbishment works were completed in summer 2016. Costs on both projects have been capitalised and are being depreciated over a ten year period.

This amount transferred from Trust has been used to cover the depreciation charge on both projects. Funds have come from the restoration levy and from amortisation of restricted funds raised towards the dimmer lighting replacement.

A grant of £675 (2020: £3,108) was transferred from Trust to cover the cost of tickets used to invite young carers in the Guildford area to the opening night of the Christmas Show *The Snow Queen*. Funds came from a £25,000 grant received from the Alchemy Foundation to enable work with young disadvantaged people who would not otherwise be able to participate in such opportunities.

Two grants were received in the year from the Theatres Trust. £5,000 was from the Accessible Theatres Scheme and was put towards hearing assistance equipment. £1,400 was awarded from the Theatres Re-opening fund and was used to fund fogging equipment for regular use in the public areas of the building.

A grant of £1,050 was received from Surrey University in June 2020 to assist with the funding of digital work and communication with audiences whilst unable to open.

26. Analysis of net assets between funds

	2021 Unrestricted £	2020 Unrestricted £
Fixed assets and investments	667,362	790,027
Current assets	836,206	651,146
Current liabilities	(1,356,979)	(1,302,475)
	<u>146,589</u>	<u>138,698</u>

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Notes to the Accounts for the Year Ended 5 April 2021

27. Commitments under operating leases

At 5 April 2021, the charitable company had commitments under non-cancellable operating leases as set out below:

		2020	2020
		£	£
Operating leases which expire:			
Within one year	land and buildings	<u>69,750</u>	<u>83,750</u>
Two to five years	land and buildings	<u>177,063</u>	<u>206,813</u>
Over five years	land and buildings	<u>306,667</u>	<u>346,667</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £83,751 (2020: £83,751).

28. Ultimate controlling party

The ultimate controlling party is Yvonne Arnaud Theatre Trust, an unincorporated charity whose principal place of business is in England (Charity no: 200500). The principal purpose of the Trust is to promote and improve the arts and to stimulate public appreciation in such arts.

Consolidated accounts including the results of Yvonne Arnaud Theatre Management Limited and its subsidiaries, are prepared by Yvonne Arnaud Theatre Trust and are filed with the Charity Commission.