

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

Accounts for the Year Ended

5 April 2022

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

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
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YVONNE ARNAUD THEATRE MANAGEMENT LIMITED

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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	(resigned 23 May 2022)
Mr Julian Bird	(resigned 30 July 2021)
Mr Roger Black MBE	
Mrs Emma Brunjes	(appointed 8 April 2021)
Mr Andrew French	
Mr Charles Geffen	(appointed 1 June 2021)
Mr Peter Gordon	
Cllr Mr Steven Lee	GBC Representative
Mr Michael More-Molyneux	
Mr Julian Porter	(resigned 1 June 2021)

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: TC Group
The Courtyard, Shoreham Road,
Upper Beeding
Steyning
West Sussex BN44 3TN

Solicitors: Stevens & Bolton LLP
Wey House
Farnham Road
Guildford
Surrey GU1 4YD

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Report of the Directors for the year ending 5 April 2022

The directors present their annual report together with the financial statements for the year ended 5 April 2022 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

2022 continued to be an extremely challenging year for the theatre as the country dealt with the on going impact of the Covid 19 pandemic. The process of slowly rebuilding the organisation after numerous lockdowns and closure periods during 2020 has been achieved against an uncertain twelve months, with the effects of the pandemic continuing to impact on all areas of our work and programme. Across the country audiences have been slow to return to live events and the Arnaud has been no exception. Whilst head line and marquee shows such as *Six* have performed well, the drama audience has still to return to venues in the numbers experienced pre pandemic.

As ever the Arnaud led the way in the covid fight back, being one of the first in the country to re open when restrictions were lifted. I'm proud to say that the theatre has offered a full and diverse programme when ever it was possible to do so throughout the year, including welcoming back the many groups, individuals and families who use the theatre for their meetings, activities and socailising. From being closed during the first quarter of the year, the Arnaud reopened in June with our own production of *Siobhan's Bassetts Hound of The Baskerville*, with a reconfigured socially distanced auditorium and playing to a reduced capacity. This was a positive start to the season; the production was well received, attracting positive national and local reviews and laid down a marker for our production ambitions later in the year.

Our financial situation was greatly aided by two more successful applications to the Arts Council / DCMS Cultural Recovery Funds in April and November, receiving £458k and £253k respectively. These grants have been essential in allowing the theatre to function and rebuild following the pandemic with the third grant, underwriting panto expenditure and contributing to rebuilding management reserves. We remain grateful to the Arts Council and the Department of Culture, Media and Sport, for their support during this time.

Rebuilding our catering operation remained a struggle through the year. Despite opening in August with a new team and the best endeavours to provide a full food and beverage offer throughout the day and evening, the operation has been hampered by continued staffing shortages in the industry and rising wholesale prices. Recuitment of a permanent chef has not been possible and at the end of the year we recruited a new Catering Manager who is remodeling the team and changing up the food offer to a simple menu with a focus on light food, locally sourced.

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Despite the difficult climate there were still many positive achievements during the year ensuring the theatre continues to fulfill its role as an artistic leader and provider and a resource for the communities of Surrey. Foremost of these was the launch in August 2021 of our Creative Learning Programme. The Creative Learning Programme uses the theatre's expertise and resources to inspire and engage people across Guildford and Surrey, with a focus on those from a low socio-economic background, the elderly and vulnerable across the county, enabling their engagement in theatre and arts activities. Targeted programmes and activities focus specifically on working with those people who have limited access or opportunities to engage with the arts. As part of the programme the theatre is now registered as an Artsmark partner to support Artsmark registered schools and other educational settings across Surrey on their journey to embed arts and culture across the curriculum. We were thrilled to be able to work with the pupils of Guildford Grove's Lighthouse Centre on their Discover Drama project making them the theatre's first recipients of the Arts Award.

In June, planning permission was granted on our capital programme to renovate and upgrade the theatre building, to substantially improve accessibility front of house and backstage. Following this, a quiet fundraising campaign began which, thanks to a legacy gift and a number of generous individual donations, has already raised £1.15 million towards the project costs of £11 million. Following the expression of interest submitted last year, discussions began with Surrey County Council - Your Fund Surrey Scheme to progress the theatre's application for support.

Our production of *Dick Whittington* in December received excellent reviews and was nominated for three National Panto awards, winning Best Ensemble. In February and March we fulfilled our ambitions to produce our own work beyond panto. *Sheila's Island*, a new comedy by Tim Firth, opened at the Arnaud to good notices, playing for two weeks before embarking upon a twelve week national tour. New audience development initiatives in the year increased our number of new bookers to 10,382. Overall, not including hires, private events and café bar users, over 70,000 people came to see a show, take part in a workshop or arts activities at the theatre between June 2021 and March 2022.

The board continues its plans to broaden and diversify trustee membership. New Directors Emma Brunjes and Charles Geffen were appointed during the year. At the end of the year Nick Acomb retired from the Board. On behalf of my fellow Directors, I would like to thank Nick for his long and supportive service to the theatre.

In January we were informed that Guildford Borough Council intended to reduce our funding by 35% over three years, imposing a cut of £35k in the coming year, rising to £120k in 2024. Whilst the Board recognises the pressures on local authority budgets, the sudden reduction in grant funding was not only severely demoralising for the Board and staff, but will impact the organisation's ability to rebuild after Covid, coming just as the theatre needed to invest in its recovery.

Despite these challenges, the theatre finished the year in a positive financial position. This was due in the main to the one-off support received from the Culture Recovery Fund together with careful control of expenditure by the Senior Team and the restructures to staffing made during 2021. A new business and strategic plan was created in the last quarter of the year to align the theatre's plans and capital ambitions with the new climate post Covid. This places us in a robust position to tackle what will only be two much harder years to come, as the lasting effect of the pandemic continues to have a detrimental effect on audience confidence and sales patterns. The biggest challenge for the theatre remains rebuilding its audience.

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I would like to thank the staff team, whose energy and enthusiasm has contributed so much to our resilience this year, also our Chief Executive and Director Joanna Read and Finance Director Sarah Gatward, for the dedication and commitment they have shown the theatre during this time. Finally a huge thank you to our ever growing team of volunteers, now measuring more than one hundred, who give their time, love, and enthusiasm to the Arnaud, in so many ways.

Stephen Bampfylde
 Chairman

Our Object and Activities

Our Mission

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 and creative learning programme, we are an artistic resource and a cultural hub; a safe space for our many communities. We enable people of all ages across the South to participate in the thrill and delight of live theatre benefitting their health and well-being and realising stronger, more meaningful, social relationships and building prosperous and cohesive communities.

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 power house in regional theatre, with a national profile, and a reputation for producing and presenting entertaining, thrilling and inspiring theatre. We will have an established production and touring arm, with a lively, thriving and diverse large audience for our work. Our Creative Learning Programme will work with disenfranchised young people, those from a low socio-economic background, the elderly and vulnerable across the county, enabling their engagement in theatre and arts activities. Our revitalised and refurbished estate will be a destination venue for audiences and others across the South, a welcoming refuge for the community and provide a safe and inspiring home for our creative learning and programme.

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.

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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. Through our Creative Learning Programme, established in 2021, 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.

Achievements and Performance

The Main House Programme

The main house activity was significantly impacted by the pandemic with the theatre open for only nine months of the year and social distancing reducing capacity in the auditorium until the middle of August 2021. The programme focused on popular and entertaining choices, with comedies and known casting dominating the repertoire. Whilst one night events often proved successful, the core drama audience were slow to return; mask wearing, social distancing, Covid Passports, and various variant waves all combining to make audiences reluctant to book live events. This pattern was mirrored in venues across the country. The theatre took a robust approach with its programme, opening sooner than most venues and putting in stringent Covid Safety measures to encourage attendance.

The main house re-opened again on the 5th of June 2021 with socially distanced performances. We began with our own production of *Siobhan Bassetts' Hound of the Baskervilles* in the main house; part of our scratch theatre, live and local programme continuing from autumn/winter 2020. The show was written by and starred local actor Sara Crowe and directed by the theatre's Director Joanna Read. Technical and creative support was provided by the Arnaud's technical team and designer Neil Irish. This was followed by short mixed programme of presented popular drama including *The Woman In Black*, *Seasons Greetings* and *A Splinter of Ice* along with one night spoken word events, comedy and music in the garden and the hosting of two events from Guildford Fringe whose own programme was disrupted by Covid. Taking advantage of the restrictions on capacity, we gave Guildford a rare chance to see the work of The Donmar Theatre, outside London. Their production of *Blindness* was an installation audio drama that seated audiences of 35 on the stage in darkness, listening to the narration of Juliet Stephenson via headsets.

The autumn season, attempted a return to pre pandemic programming with popular offers such as *Poirot and More* with David Suchet and Mischief Theatre's *Groan Ups* playing alongside *Tell Me on A Sunday* with Jodie Prenger and *The Lemon Tree* with Ian McDiarmid directed by Michal Grandage, both strong offers. Unfortunately the season was disrupted by a number of late show cancellations; a combination of productions cancelling due to poor national sales or through illness across the company. The cancellation of work dented audience confidence in the theatre's operations and hampered our attempt to return to a typical autumn season. Audience attendance in the autumn was down by 30% against pre Covid years, despite one night events such as *Andrew Cotter* and *Miriam Margolyes* selling out.

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In the spring, the opportunity to present Mischief's *Magic Goes Wrong* and the internationally renowned musical *Six*, both for two weeks gave stability to the season and an offer for a younger and broader demographic. Both pieces brought a younger audience and large numbers of new bookers to the theatre. Towards the end of the year *Private Lives* with Patricia Hodge and Nigel Havers and Barry Humphries *The Man Behind the Mask*, all performed very well at box office giving a lift to the last quarter of the year. Overall attendance for the year was 49% of capacity across 38 weeks of programme a total of 65,750 attendances in the main house. The number of new bookers increased to 10,382, the highest number to date, an encouraging response to our initial efforts to rebuild audiences.

As part of our drive to develop new audiences for the theatre we increased our family programme this year. *Sara and Duck* and the *Snail And The Whale* were presented in the main house during the summer holidays and proved popular, giving a firm foundation to build on for further years, with work for the under fives offered in the Mill Studio during half term breaks. Other initiatives included the introduction of more stand up comedy into the programme with Stewart Lee and Barry Humphries both selling out, and the broadening of the spoken word programme to include a wider subject range of speakers such as Andrew Cotter.

After producing a smaller family show last December, it was decided to return to our annual family pantomime this year with a new production of *Dick Whittington* to encourage attendance and to promote a return to usual habits of theatre going. The show was rehearsed and performed with strict Covid protocols in place for audience, staff and company. A new creative team was engaged for writing, costume design and musical direction with Guildford favourites Peter Gordon and Kit Hesketh-Harvey returning as Dame and Villian respectively. Sales for pantomime began well in the first half of the year, but were impacted by the Omicron variant in November and December, with illness causing many cancellations and bringing sales to a standstill in early December. A large number of school groups cancelled at the last minute due to outbreaks in schools. The theatre's rigorous planning and protocols meant that no shows were cancelled, enabling many audience members to transfer tickets to later performances. Despite excellent reviews and audience responses, *Dick Whittington* played to 53% of capacity, in comparison to the pre-covid figures of 84% for *Sleeping Beauty*. Again an indication of the challenges of producing live work during this period of such uncertainty, nevertheless the production still made a vital contribution to income and sent out the very positive message that the theatre remained open for business and the show would continue to go on.

The end of the year saw our first national tour solely produced by the Yvonne Arnaud. Tim Firth's *Sheila's Island* starring Abigail Thaw, Rina Fantia, Judy Flynn and Sara Crowe played for two weeks at the theatre before touring to twelve venues across the UK including Bath Theatre Royal, the Lowry, Kings Theatre Edinburgh, Brighton and Richmond. The show was directed by Joanna Read and designed by Liz Cooke, with lighting by Paul Anderson and composition and sound by Jon Nicols. The production recieved good critical responses though audiences and venues across the tour were very variable, again reflecting the struggles of the industry to recover from the pandemic.

The Mill Studio

With only 80 seats the Mill Studio was not viable as a studio theatre until restrictions were fully lifted. During the early summer the Mill hosted workshops by Shakespeare and You, rehearsals and workshops from Stop Gap Dance Company and Halows' IT club. Public events included the return of the popular arts exhibition by Guildford Arts in July; like all events in the summer this was held socially distanced and was attended by 479 people across the week.

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The closure period was an opportunity for the Mill Programme to be revised in line with our artistic policy - the Mills' remit being to widen the overall programme offer and promote a more radical and diverse agenda, distinct from the main house programme. The Mill will often be a point of entry for more diverse and discrete audiences, who may then find some Main House work of interest. We relaunched the Mill Studio in Autumn 2021, with October's sell-out performance of Dibby Theatre's acclaimed production, *First Time* with other work in the year including Paines Plough's *Sessions*, Lung Theatre's *Who Cares* as well as music from Rowan Rheingans, poetry from Luke Wright and new writing from emerging artists such as Emma Hemingford and Piers Black.

Additionally, we introduced a strand of new work for families to complement the growth of the family offer in the Main House. This included sold out productions such as *Dig*, *Robin's Winter Tale* and *The Gingerbread Man*. Increasingly the Mill was used through the year for Creative Learning activities and workshops as well as a resource for local companies culminating in hosting the Man In Moon Youth Theatre's Christmas production. A total of 2,731 people attended performances in the Mill Studio during the year.

Creative Learning

One of our most significant achievements of 2021-22 was the launch of our new Creative Learning programme. Led by Head of Creative Learning Rhiannon Fisher, who joined the company in May 2021, the Creative Learning programme uses the theatre's expertise and resources to inspire and engage those people across Guildford and Surrey who are keen to get involved with the theatre, as well as those who have yet to discover the powerful benefits of the arts. The programme works with people across a range of age groups and backgrounds. Targeted programmes and activities focus specifically on engaging those people who have limited access or opportunities to engage with the arts. This includes families, children and young people who have a low household income or low socio-economic status; young carers; care experienced children and young people and those who are not in employment, education or training (NEET); adults and older members of the community who may be at risk of harm of social isolation.

Projects in the year included a Discover Theatre Project with Guildford Grove Primary School. The Theatre worked with Guildford Grove Primary School to address the gap in provision for deaf children to participate in quality drama activities. From November to January, key stage 2 pupils from the school's Lighthouse Centre took part in a series of nine workshops and activities at the theatre. The Lighthouse provides specialised educational provision for deaf children and their families from across Surrey. Focussing on the theatre's Christmas panto, *Dick Whittington*, the pupils explored the world of backstage, created their own 'slosh' scenes, met the panto cast and creatives and practised directing each other in devised scenes.

Through its Creative Learning Department the theatre has become an Arts Mark Partner and is now able to deliver Arts Award at the theatre. The Guildford Grove Project was the first project to be structured in this way and enabled us to engage with young people who struggle to access high quality arts programmes which support their specific need.

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We strengthened our partnership with Surrey Young Carers, offering young people and those they cared for funded tickets to attend the first night of Dick Whittington. Funded tickets were also offered to NHS staff at Royal Surrey County Hospital. *"It gives these young people a chance to spend time with their families in a light-hearted way which is a far cry from the day-to-day lives they have most of the time. A lot of our families are financially struggling, and this provides the family with an opportunity to go to the theatre and do something together they would not normally be able to afford. For a lot of the students, this is the only time they will have even been inside a theatre and Pantomime is a great intro to the wonderful world of Drama and could trigger a passion in any one of them."* Tina Male, Student Support Lead, Weydon School. The young carers who attended from seven different schools were from Guildford, Haslemere, Liphook, Bordon, Farnham, Aldershot and Redhill. 41% of the young carers who attended were in receipt of pupil premium.

We established relationships with several partner agencies in the county including the YMCA, Guildford Downslink Group who were offered 18 tickets for residents and a work experience placement linked with arts award delivery for a Young Asylum Seeker; Surrey Childrens Services, who were offered tickets for their Independent Visitors and the Looked After Children that they support; and Surrey Choices, giving backstage tours for young adults supported by Surrey Choices. As a result of this link we currently employ one young adult referred by Surrey Choices in a part time position in the café.

A number of discrete projects took place across the year including a *Jack and the Beanstalk* drama workshop day for 28 children from service families aged 4-10 years attending the Summer Holiday Club based at the Army Training Centre in Pirbright in August; Contributing to the summer enrichment programme with Wey Valley College (Pupil Referral Unit) and workshops and back stage tours for Woking College Level 2 and Level 3 BTEC students.

Other Activities and Engagment

Our plans to boost the day time use of our front of house spaces ramped up in 2021 as we increased the number of groups and users who meet in our spaces. Day time users of the front of house spaces included the Knit and Knatter Club, local and Surrey wide businesses through the monthly Surrey Chamber of Commerce lunches; our regular Adult learner and drama classes; Halow IT club and Emmaus Road Church.

We have delivered weekly free Pop-Up Play sessions for pre-schoolers and their parent/carers in our back café area since November 2021. The activity has been a resounding success with a regular weekly attendance of between 25-30 people (including toddlers and babies). Throughout the year a wide range of local groups and organisations make use of our reduced hire rates.

As usual we took part in Heritage Open Day in September, with over 100 people taking part in tours and talks across the building. During the summer over 582 people took part in the family activities, arts and scavenger hunts centred around *The Snail and The Whale*.

In September we hosted a Breakfast meeting for the Archbishop of Canterbury during his visit to the Diocese of Guildford.

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Staffing and Operations

The operation of the theatre's staff team has been party to the same pressures from Covid and recovery as the rest of country. Through a combination of many factors, with the exception of the senior team, the majority of the staff team has changed during the course of the year. Whilst bringing fresh energy and new skills to the organisation, this has placed burdens on the organisation in recruiting and training the new team and in recognising the necessary adjustment period as new staff get up to speed in their roles. We continue to operate a smaller staff team than pre covid, following a restructure in 2020. Key new members of the team joined in Fundraising and Creative Learning, Finance, Front of House and Catering.

Our use of volunteers increased rapidly over the year following a call out for support as we reopened in the summer. Initially recruited for front of house duties, our volunteer community now exceeds 100 and works across front of house as ushers, has restored the riverside garden, supports with Pop Up and Play, the archives and administrative tasks.

Vanbrugh and Friends

With the theatre only open for part of the year, understandably the number of Friends remained low when compared to pre Covid figures. Numbers at the end of the year were 723 Friends however this was an improvement on the previous years figure of 538. Vanburgh scheme members also grew in number in the year from 166 to 176. During the last quarter of the year, we recruited 8 new Vanbrugh supporters and 15 supporters who lapsed during 2020/21 re-joined the Vanbrugh scheme. We also had one Gold supporter increase their giving to Platinum level. This has balanced out the loss from non-renewing non-standard supporters.

The team plans to develop long term strategy for Vanbrugh growth and retention in the next financial year with a focus on improving systems and communications. Retention remains strong; as a benchmark, average retention rates for supporter schemes similar to Vanbrugh are roughly 60-75%.

Partnerships

The theatre continues to work in partnership with many organisations across the county and borough. Through the Chief Executive, the theatre continues to play a role shaping the Surrey Cultural Strategy, working with the Guildford Borough Council and Experience Guildford in development of the riverside areas and our island site. We continue to work with other Guildford Arts organisations, hosting events for Guildford Book Festival, concerts from Guildford Jazz, and the Summer Exhibition from Guildford Arts. Our Creative Learning Programme works with Surrey Choices, Surrey Children's Services, YMCA Downs Link, Culture Box, Surrey Primary and Secondary Schools.

Financial review

The theatre reported a surplus in the year of £485,330 (2021: surplus of £7,891). The principal funding sources of income were grant funding from Guildford Borough Council of £310,220 (2021: £310,220), from the Arts Council England of £711,065 (2021: £277,540) and government funding through the Coronavirus Job Retention Scheme of £16,355 (2021: £265,201).

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.

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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, under 25's, senior citizens and low-income groups as well as funded tickets to partners in our Creative Learning Programme. 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. Panto prices were held at last year's prices to encourage attendance during a period of uncertainty.

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 0.88% (2021: 0.79%).

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-seven years old in 2022 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.

The directors consider that the ideal minimum level of reserves to cover ongoing operations as at 5 April 2022 would be £500k. With Arts Council Funding received in the year including an amount of £504,837 to help build reserves, unrestricted reserves at the year-end totalled £632k.

Plans for future periods

Our focus for 2022/23 will be to rebuild our audience and customer base and to restore box office income and attendance. We expect the recovery of the industry and by association the recovery of the Arnaud to take at least two years according to latest data. As well as concentrating on those closest to us, including rebuilding the numbers of Friends and Vanbrugh members, we will also focus on developing new audiences for our work as it becomes clearer that some older or core audience members may not return to live arts. A number of specific marketing and audience development tasks are underway to support this, including a review of pricing and yield with consultants Baker Richards, work to increase our digital retargeting and boost internet sales and deeper research into audience profiles to increase the number of repeat bookers, building on the successful initiatives such as Early Bird discounts.

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The Creative Learning programme will develop our Arts Mark partner offer for schools and educational settings. A Discover Drama project is planned with Gosden House School. The funded ticket programme will be widened to include more looked after children, working in partnership with Surrey Children's Services. We plan to introduce a programme of workshops for children/ young people across the Spring/ Easter 2022 holiday and the longer summer break. We will be piloting our front of house Theatre Ambassador programme for adults with learning difficulties and /or disabilities, beginning in May 2022.

Key for 2022 will be the delivery of the Your Fund Surrey application and fundraising for the Play Your Part campaign including increasing the number of Pioneer Donors. If fundraising is successful, detailed design work on the capital project would begin in October 2022 with the project going to tender in January 2023. Additionally, a legacy strategy will be developed and a leaflet and new web page for the scheme will be launched in the first quarter of 2022/23 to promote legacy giving.

Our production plans will continue with a summer tour of *Ladies of Letters* adapted by Jonathan Harvey from the book by Lou Wakefield and Carol Highman and our annual pantomime in December will be *Jack and The Beanstalk*.

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.

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.

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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

There were some changes in the fundraising team during the year; following the resignation of the Head of Development Jenny Hunt mid year, Liberty Oberlander joined in January 2022 to restructure the organisation's fundraising operation and lead the capital campaign Play Your Part. Natasha Acharekar joined earlier in the year as Individual Giving Manager, focusing on individual donors and small trusts and foundations.

Core fundraising has remained steady through the year with significant successes in trust and foundation applications to support the Creative Learning Programme. The re-launch of Vanbrugh stewardship activities by the Individual Giving Manager has seen a strong retention rate at the higher levels of support, with one significant upgrade in the last quarter of the year. A Christmas stewardship event was held for Bronze and higher level members, with Kit Hesketh-Harvey invited to speak about his long relationship with the Arnaud regaling guests with tales from panto and cabaret.

A number of pioneer donations were received into the capital campaign during the year and having submitted an expression of interest to Your Fund Surrey, we were invited at the end of the year to progress to making a full application.

The work by the Individual Giving Manager resulted in grant from the Boris Karloff Foundation of £2,000 and further funds of £2,638 to support the Creative Learning Programme.

A legacy strategy has been developed and a leaflet and new web page for the scheme will be launched in the first quarter of 2022/23 to promote legacy giving.

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.

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Report of the Directors for the year ending 5 April 2022

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 Guildford Borough residents and the public. The funding agreement was formalised in March 2022 for a three year period. The theatre reports back against a number of agreed measures and deliveries. 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 2021/22.

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.

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.

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Report of the Directors for the year ending 5 April 2022

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
2 August 2022

Independent Auditor's Report to the Members of Yvonne Arnaud Theatre Management Limited for the year ended 5 April 2022

Opinion

We have audited the financial statements of Yvonne Arnaud Theatre Management Limited ('the charitable company') for the year ended 05 April 2022 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 05 April 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 directors are responsible for the other information. The other information comprises the information included in the directors' 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 Auditor's Report to the Members of Yvonne Arnaud Theatre Management Limited for the year ended 5 April 2022

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.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 2022

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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We identified the following areas as those most likely to have such an effect: health and safety; General Data Protection Regulation (GDPR); fraud; bribery and corruption and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Companies Act 2006 and the Charities Act 2011) and the relevant tax compliance regulations in the UK;
- We considered the nature of the charitable company's operations, the control environment and business performance;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the charitable company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Independent Auditor's Report to the Members of Yvonne Arnaud Theatre Management Limited for the year ended 5 April 2022

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

TC Group

Mark Cummins FCCA (Senior Statutory Auditor)
for and on behalf of TC Group
Statutory Auditors
Office: Sussex
Dated: 2 August 2022

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Statement of Financial Activities (incorporating income and expenditure account)
For the Year Ended 5 April 2022

	Note	2022 Unrestricted Funds £	2022 Restricted Funds £	2022 Total Funds £	2021 Total Funds £
Income and endowments from:					
<i>Donations and legacies</i>	3	13,703	92,898	106,601	137,620
<i>Charitable activities</i>					
- Operation of Main House	6	3,967,137	-	3,967,137	1,133,055
- Youth & Education Programme	6	400	4,638	5,038	20,703
		<u>3,967,537</u>	<u>4,638</u>	<u>3,972,175</u>	<u>1,153,758</u>
<i>Other trading activities</i>					
- External set building		17,241	-	17,241	-
- Vanbrugh Supporter subscriptions		47,411	-	47,411	48,027
- Management charges to subsidiaries		<u>5,108</u>	<u>-</u>	<u>5,108</u>	<u>60,000</u>
	7	<u>69,760</u>	<u>-</u>	<u>69,760</u>	<u>108,027</u>
<i>Investment income - bank interest</i>	7	1,583	-	1,583	922
<i>Other income</i>	7	<u>168,533</u>	<u>-</u>	<u>168,533</u>	<u>-</u>
Total income		<u>4,221,116</u>	<u>97,536</u>	<u>4,318,652</u>	<u>1,400,327</u>
Expenditure on:					
<i>Raising funds</i>					
- External set building		(926)	-	(926)	-
- Vanbrugh Supporter subscriptions		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	8	<u>(926)</u>	<u>-</u>	<u>(926)</u>	<u>-</u>
<i>Charitable activities</i>					
- Operation of Main House	9	(3,662,884)	(90,994)	(3,753,878)	(1,362,161)
- Youth & Education Programme	9	<u>(71,976)</u>	<u>(6,542)</u>	<u>(78,518)</u>	<u>(30,275)</u>
		<u>(3,734,860)</u>	<u>(97,536)</u>	<u>(3,832,396)</u>	<u>(1,392,436)</u>
Total expenditure		<u>(3,735,786)</u>	<u>(97,536)</u>	<u>(3,833,322)</u>	<u>(1,392,436)</u>
Net income/(expenditure)		485,330	-	485,330	7,891
Transfers between funds		-	-	-	-
Net movement in funds	11	<u>485,330</u>	<u>-</u>	<u>485,330</u>	<u>7,891</u>
Reconciliation of funds:					
Total funds brought forward at 6 April 2021		146,589	-	146,589	138,698
Total funds carried forward at 5 April 2022	24/25	<u>631,919</u>	<u>-</u>	<u>631,919</u>	<u>146,589</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 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed Assets					
Investments	18		5		5
Tangible fixed assets	19		<u>568,031</u>		<u>667,357</u>
			568,036		667,362
Current Assets					
Debtors	20	629,324		224,995	
Cash at bank and in hand	21	<u>990,239</u>		<u>611,211</u>	
		1,619,563		836,206	
Creditors: Amounts falling due within one year	22	<u>(1,555,680)</u>		<u>(1,356,979)</u>	
Net Current Liabilities			63,883		(520,773)
Total assets less current liabilities			<u>631,919</u>		<u>146,589</u>
Net Assets			<u>631,919</u>		<u>146,589</u>
Funds					
Unrestricted general funds:	24		459,419		146,589
Designated funds	25		172,500		-
Restricted funds	26		-		-
			<u>631,919</u>		<u>146,589</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 2 August 2022.



 Mr Stephen Bampfylde

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Notes to the Accounts for the Year Ended 5 April 2022

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 has adversely affected and is expected to continue to adversely affect all theatre business. The theatre implemented cost saving measures in 2020-21 cutting overheads, retaining a smaller staff and implementing salary cuts. As the theatre re-opened in June 2021, staff were recruited to fill vacant roles and overhead costs returned to pre-pandemic levels. Forecasts have been prepared taking into account a decline in revenues for a period of between 12 and 24 months whilst our core audience gain confidence in returning to public venues.

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.

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Notes to the Accounts for the Year Ended 5 April 2022

2. Accounting Policies (continued)

(c) Income (continued)

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.

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.

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Notes to the Accounts for the Year Ended 5 April 2022

2. Accounting Policies (continued)

(h) Expenditure and irrecoverable VAT (continued)

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.

(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.

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Notes to the Accounts for the Year Ended 5 April 2022

2. Accounting Policies (continued)

(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.

(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

3. Donations and legacies

	2022			2021		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Yvonne Arnaud Theatre Trust	13,703	92,898	106,601	13,703	93,327	107,030
Donation of ticket refunds	-	-	-	30,590	-	30,590
	<u>13,703</u>	<u>92,898</u>	<u>106,601</u>	<u>44,293</u>	<u>93,327</u>	<u>137,620</u>

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Notes to the Accounts for the Year Ended 5 April 2022

4. Creative Learning performance grants

	2022			2021		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Creative Learning Grant Funding:						
The Arts Award Access Fund	-	1,388	1,388	-	-	-
The Boris Karloff Foundation	-	2,000	2,000	-	-	-
Private Donor to Youth Programme	-	1,250	1,250	-	-	-
CJRS Support Grant	-	-	-	16,854	-	16,854
	-	4,638	4,638	16,854	-	16,854

A Creative Learning programme has been started this year to replace the youth and education production work undertaken pre-pandemic. The focus of this activity is on engaging groups and individuals who have limited access or opportunities to engage with the arts. Projects to date include work with Surrey Young Carers, Wey Valley Community College and the deaf unit at Guildford Grove Primary School, as well as family activities such as Pop Up and Play. Restricted grants of £3,380 and a private donation of £1,250 were received in the year towards these creative learning projects.

5. Main house performance grants

	2022			2021		
	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 (CRF)	206,228	-	206,228	242,540	-	242,540
CRF rebuilding reserves	504,837	-	504,837	-	-	-
CJRS Support Grant	16,355	-	16,355	265,201	-	265,201
Local Restrictions Support Grant	83,764	-	83,764	22,928	-	22,928
The Theatres Trust	-	-	-	-	6,400	6,400
Apprenticeship funding	1,500	-	1,500	-	-	-
Surrey University	-	-	-	-	1,050	1,050
	1,122,904	-	1,122,904	875,889	7,450	883,339

YVONNE ARNAUD THEATRE MANAGEMENT LIMITED
Registered No. 814453

Notes to the Accounts for the Year Ended 5 April 2022

6. Income from charitable activities

	2022			2021		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Operation of Main House						
Box office income	2,094,378	-	2,094,378	90,635	-	90,635
Production commissioning	711,075	-	711,075	139,812	-	139,812
Business consortium	5,500	-	5,500	-	-	-
Friends memberships	25,988	-	25,988	18,123	-	18,123
Sundry income	7,292	-	7,292	1,146	-	1,146
Performance grants (see note 5)	1,122,904	-	1,122,904	875,889	7,450	883,339
	<u>3,967,137</u>	<u>-</u>	<u>3,967,137</u>	<u>1,125,605</u>	<u>7,450</u>	<u>1,133,055</u>
Creative Learning programme						
Workshop income	400	-	400	-	-	-
Production commissioning	-	-	-	3,849	-	3,849
Performance grants (see note 4)	-	4,638	4,638	16,854	-	16,854
	<u>400</u>	<u>4,638</u>	<u>5,038</u>	<u>20,703</u>	<u>-</u>	<u>20,703</u>
	<u><u>3,967,537</u></u>	<u><u>4,638</u></u>	<u><u>3,972,175</u></u>	<u><u>1,146,308</u></u>	<u><u>7,450</u></u>	<u><u>1,153,758</u></u>

7. Other trading activities and investment income

The theatre was told in 2020 that it would be unable to claim compensation under its business interruption insurance policy for loss of income during the covid pandemic. This decision was revisited with our insurers in the 2021-22 year. An insurance claim of £168,533 was settled during the year to cover losses incurred during the March to June 2020 lockdown.

The income from other trading activities and investment income for the 2021 comparative year was all unrestricted.

8. Raising funds

The expenditure on raising funds from the 2021 comparative year was all from unrestricted funds.

9. Analysis of expenditure on charitable activities

The expenditure on charitable activities was £3,832,396 (2021: £1,392,436) of which £3,734,860 (2021: £1,291,659) was unrestricted and £97,536 (2021: £100,777) was restricted.

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9. Analysis of expenditure on charitable activities (continued)

	2022			2021		
	Main House £	Creative Learning £	Total £	Main House £	Creative Learning £	Total £
Production costs	1,373,917	-	1,373,917	88,388	-	88,388
Irrecoverable VAT	81,711	-	81,711	3,072	-	3,072
Production commissioning fee	556,957	-	556,957	119,606	3,233	122,839
Production company grant	2,401	-	2,401	3,252	-	3,252
Staff costs	-	41,250	41,250	-	26,798	26,798
Other creative learning direct costs	-	875	875	-	244	244
Governance & support (note 10)	1,738,892	36,393	1,775,285	1,147,843	-	1,147,843
	<u>3,753,878</u>	<u>78,518</u>	<u>3,832,396</u>	<u>1,362,161</u>	<u>30,275</u>	<u>1,392,436</u>

10. Analysis of governance and support costs

	2022			2021		
	Theatre operation £	Governance £	Total £	Theatre operation £	Governance £	Total £
Advertising & publicity	263,658		263,658	17,861	-	17,861
Staff costs	788,994		788,994	654,022	-	654,022
Property costs	369,931		369,931	230,578	-	230,578
Office costs	83,504		83,504	57,861	-	57,861
Professional fees	44,244	10,000	54,244	32,861	5,500	38,361
Depreciation & loss on disposal	125,870		125,870	124,526	-	124,526
Travel and subsistence	3,198		3,198	1,261	-	1,261
Bank & credit card charges	28,836		28,836	6,064	-	6,064
Bad Debts	600		600	(1,200)	-	(1,200)
Irrecoverable VAT	56,450		56,450	18,509	-	18,509
	<u>1,765,285</u>	<u>10,000</u>	<u>1,775,285</u>	<u>1,142,343</u>	<u>5,500</u>	<u>1,147,843</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.

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11. Movement in total funds for the year

This is stated after charging the following:

	2022	2021
	£	£
Depreciation of tangible fixed assets	125,870	124,526
Auditors' remuneration - external audit	10,000	5,500
Operating leases - rent	83,751	83,751
Staff costs (note 13)	<u>1,254,680</u>	<u>712,295</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.

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

	2022	2021
	£	£
Wages and salaries	1,161,319	639,117
Social security costs	66,743	50,184
Other pension costs	<u>26,618</u>	<u>22,994</u>
	<u>1,254,680</u>	<u>712,295</u>

The amount for wages and salaries of cast, musicians, stage management and casual staff included above was £448,224 (2021: £69,652), 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).

No compulsory redundancies were made in the year (2021: fourteen). Redundancy payments of £nil (2021: £11,006) are included in the amount for wages and salaries for the year.

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 during the year (2021: 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). Pension contributions of £14,205 (2021: £14,205) were made on behalf of the higher paid employees.

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

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

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 remuneration of the key management personnel of the charity was £248,368 (2021: £223,594).

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:

	2022	2021
	No	No
Management and administration	12	12
Box office and front of house	5	3
Production	5	5
Creative Learning	1	2
	<u>23</u>	<u>22</u>

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 £26,618 (2021: £22,994). This cost represented payments to defined contribution pension schemes for thirty-three employees (2021: thirty-one). At the year-end a balance of £3,516 was due to the pension provider (2021: £963 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 receives funding of £310,220 (2021: £310,220) from Guildford Borough Council 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.

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17. Related party transactions (continued)

In the year ended 2022, one of the directors, Mr Peter Gordon, was paid £18,000 for his role in the pantomime, *Dick Whittington*. 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-entity transactions during the year to 5 April are as follows:	2022	2021
	£	£
Yvonne Arnaud Theatre (Catering) Limited		
Balance due to/(from) YAT Management Ltd at 5 April	<u>73,798</u>	<u>44,468</u>
Yvonne Arnaud Theatre (Productions) Limited		
Grant payable	(2,401)	(3,252)
Commissioning income receivable	711,075	143,661
Sub-commissioning fee payable	556,957	(122,839)
Loan payable to YAT (Productions) Ltd at 5 April	(25,681)	(25,681)
Balance due to/(from) YAT Management Ltd at 5 April	<u>151,832</u>	<u>17,965</u>
Yvonne Arnaud Theatre Trust		
Grant receivable	82,453	82,452
Management charge receivable	-	60,000
Rent payable	(40,000)	(40,000)
Balance due (from)/to YAT Management at 5 April	<u>(50,214)</u>	<u>(732,245)</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 2021 and 5 April 2022:	Company number	2022	2021
		£	£
Yvonne Arnaud Theatre (Catering) Limited	847430	5	5
Yvonne Arnaud Theatre (Productions) Limited	1925822	-	-
		<u>5</u>	<u>5</u>

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18. Investments (continued)

The following information is relevant for each subsidiary undertaking:

	Turnover for year ended 5-Apr-22 £	Expenditure for year ended 5-Apr-22 £	Profit/(Loss) for year ended 5-Apr-22 £	Capital and reserves at 5-Apr-22 £
Yvonne Arnaud Theatre (Catering) Limited	273,924	(271,311)	2,613	55,421
Yvonne Arnaud Theatre (Productions) Limited	556,957	(713,476)	-	25,681

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.

19. Tangible fixed assets

	Improvements to leasehold premises £	Computer equipment £	Theatre workshop, office and catering equipment £	Total £
Cost:				
At 6 April 2021	1,617,536	117,557	397,076	2,132,169
Additions	-	22,737	3,807	26,544
Disposals	-	-	-	-
At 5 April 2022	1,617,536	140,294	400,883	2,158,713
Depreciation:				
At 6 April 2021	961,287	111,463	392,062	1,464,812
Charge for the year	115,077	7,285	3,508	125,870
Depreciation on disposals	-	-	-	-
At 5 April 2022	1,076,364	118,748	395,570	1,590,682
Net book value:				
At 5 April 2022	541,172	21,546	5,313	568,031
At 5 April 2021	656,249	6,094	5,014	667,357

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Notes to the Accounts for the Year Ended 5 April 2022

20. Debtors

	2022	2021
	£	£
Trade debtors	12,895	2,947
Amounts due from subsidiary undertakings	225,630	62,433
Other debtors	9,804	-
VAT recoverable	-	6,200
Prepayments	380,995	153,415
	<u>629,324</u>	<u>224,995</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, £356,437 (2021: £136,850) is for advance ticket sales in relation to future shows. These amounts are held on behalf of third parties.

22. Creditors: amounts falling due within one year

	2022	2021
	£	£
Advance bookings	356,437	136,850
Trade creditors	204,174	31,914
Yvonne Arnaud Theatre Trust	50,214	732,245
Amounts due to subsidiary undertakings	25,681	25,681
Other creditors	116,494	104,804
CBILS bank loan	224,000	240,000
Other taxes and social security	31,767	11,316
Accruals and deferred income	546,913	74,169
	<u>1,555,680</u>	<u>1,356,979</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.

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Notes to the Accounts for the Year Ended 5 April 2022

23. Deferred income

	2022	2021
	£	£
Opening balance at 6 April 2021	140,431	358,360
Amounts deferred in the year	366,883	140,431
Amount released to incoming resources	<u>(140,431)</u>	<u>(358,360)</u>
Closing balance at 5 April 2022	<u><u>366,883</u></u>	<u><u>140,431</u></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 2021	146,589
Incoming Resources	4,221,116
Outgoing Resources	(3,735,786)
Transfers	<u>(172,500)</u>
Carried forward at 5 April 2022	<u><u>459,419</u></u>

25. Reconciliation of Movement in total funds – Designated funds

	Technical Stage Equipment £
Brought forward at 6 April 2021	-
Incoming Resources	-
Outgoing Resources	-
Transfers	<u>172,500</u>
Carried forward at 5 April 2022	<u><u>172,500</u></u>

A transfer of £172,500 was made in the year to a designated technical stage equipment fund. This is to provide the necessary funds to replace the counterweight flying system in the main theatre auditorium.

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26. Reconciliation of Movement in total funds – Restricted funds

	Capital Refurb £	Young & Disadvantaged Funding £	Vanbrugh Flowers Legacy £	Total £
Brought forward at 6 April 2021	-	-	-	-
Incoming Resources	92,652	-	246	92,898
Outgoing Resources	(92,652)	-	(246)	(92,898)
Carried forward at 5 April 2022	-	-	-	-

Total funds of £92,898 (2021: £93,327) were received in the year from Yvonne Arnaud Theatre Trust. £92,652 was in relation to two significant capital projects undertaken in recent 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 £246 (2021: £nil) was transferred from Trust to cover the cost of flowers supplied for the Vanbrugh room. Funds came from a £1,000 legacy made by a Vanbrugh supporter who wished to purchase flowers for the Vanbrugh room.

27. Analysis of net assets between funds

	2022 Unrestricted £	2021 Unrestricted £
Fixed assets and investments	568,036	667,362
Current assets	1,619,563	836,206
Current liabilities	(1,555,680)	(1,356,979)
	631,919	146,589

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28. Commitments under operating leases

At 5 April 2022, the charitable company had commitments under non-cancellable operating leases as set out below:

		2022	2021
		£	£
Operating leases which expire:			
Within one year	land and buildings	<u>57,063</u>	<u>69,750</u>
Two to five years	land and buildings	<u>160,000</u>	<u>177,063</u>
Over five years	land and buildings	<u>266,667</u>	<u>306,667</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £83,751 (2021: £83,751).

29. 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.