

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

WATERMILL THEATRE LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees

S Bansal (appointed 31 July 2021)
K Breathwick (appointed 31 July 2021)
J Bunting (appointed 31 July 2021)
R Chadder (appointed 2 April 2022)
C P G Farrant
S P Foster
P C L Griffin (resigned 18 September 2021)
D W Grindrod
A G McKenzie, (Chair)
S K Parsonage
T W Rossiter (resigned 18 September 2021)
T Wentworth (appointed 31 July 2021)
M K Whittum-Cooper, (Vice Chair)
I M Widdowson
H Williamson (appointed 31 July 2021)

Company registered number
978279

Charity registered number
261430

Registered office
The Watermill Theatre
Bagnor
Newbury
Berkshire
RG20 8AE

Company Secretary and Chief Executive Officer
Paul Hart

Senior Management Team
Claire Murray – Executive Director
Clare Lindsay – General Manager
Jo Bycroft – Development Director
Heidi Bird – Outreach Director
Rosie English – Marketing Manager
Kim Austen – Finance Director

Independent auditor
James Cowper Kreston, 2 Communications Road, Greenham Business Park, Greenham, Newbury,
Berkshire, RG19 6AB

Bankers
Svenska Handelsbanken, St Anthony's House, Oxford Square, Newbury, RG14 1JQ

Solicitors
Harbottle & Lewis LLP, Hanover House, 14 Hanover Square, London, W1S 1HP

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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

The Chair presents his statement for the year.

This has been another challenging year for the Watermill Theatre, and indeed for the sector as a whole. I am pleased to report however that the team have continued to respond at pace to the changing situation, which was marked by lockdowns and restrictions for a large part of this financial year, and we are seeing the green shoots of recovery in audiences returning to the theatre.

We once again made excellent use of our assets transferring to the gardens for the first shows following the easing of restrictions. The three outdoor shows were the uplifting, family friendly mix that felt perfect for the time. We have seen a steady improvement in audience size across the season as we have moved indoors. During this period, we recognised that many people wanted additional reassurance about safety, and alongside enhanced cleaning, social distancing and mask wearing, we also offered several socially distanced performances within each production run. We have been buoyed by the response from audiences that we've seen at the Box Office.

The Outreach Team continued to work with a diverse range of adults and young people, taking work out into the community and continuing online. In the later part of the year The Watermill began to welcome participants back on site which has been an important milestone in our return to full operations. We have seen significant changes in the needs of our communities over the year and we've shaped our programme to better meet these needs.

Despite the challenges and the limitations that the pandemic posed we have advanced our equality, diversity and inclusivity objectives. This has been reflected in the new trustees we've welcomed to the Board, in our on-stage work and in the partners and participants we're working with. I've also been pleased that we have been able to transfer our work by working in partnership with Hull Truck and that the team were able to commit to a season of work that had environmentally sustainable practice more deeply embedded in the production process.

Ancillary income has held up well. The catering team have reimaged the food offer and have been operating with reduced covers throughout the year. Despite the challenges this has posed, the results have been positive. The maintenance of the site remains a huge priority. This year we committed to the reroofing of the Mill House, drawing on our own funds to ensure these vital works were completed. We are currently scoping a project to repair the river sluice which we hope to undertake in autumn 2022. The team has also undertaken a full audit of Health and Safety and as trustees we welcome this review and the resulting improvements.

Our audiences, corporate partners, donors, trusts and foundations have all shown sterling support, particularly through the Act II campaign. I am also pleased to report the successful renaming campaign, asking those who supported us five years ago by buying a seat, to renew their commitment. We are grateful to all those who have supported us and of course to the Arts Council who have extended our NPO funding through to 2023.

Finally, I'd like to say a heartfelt thanks to the Executive and to the whole team at The Watermill, to Ian Widdowson, the Chair of the Friends, whose support is invaluable to us and to my fellow trustees, including those who have stepped down in this financial year: Patrick Griffin and Tom Rossiter. The work of all of these people has been vital in securing a positive result in a challenging year.


.....
A G McKenzie
Chair
Date: 30/07/2022.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

EXECUTIVE TEAM'S REPORT

We embarked on 2021 unsure when the challenges of the pandemic would begin to subside. Despite this uncertainty we are proud of the way that our team remained resilient and adaptable to ensure that we continued to serve our audiences, support freelancers and artistic companies, advance our environmental commitments and build on our inclusive practice to further increase the diversity of our audiences, participants, artists, workforce, leadership and governance.

We were proud to return to producing work quickly once restrictions were lifted in May and to welcome almost 8,500 people to the socially distanced outdoor season of *The Hound of The Baskervilles*, *As You Like It* and *Just So*, in our gardens and a further 1200+ people to outdoor rural locations across Berkshire, Wiltshire and Oxfordshire for the tour of *The Hound of the Baskervilles*. The return to indoor theatre was quite challenging, in terms of managing covid risks within the acting company and staff as well as coaxing customers to return to our intimate auditorium. We continued to offer some socially distanced performances throughout the 21/22 season and ensured that audiences were well informed about our safety measures. We also invested in digital work, partnering with The Dukes, Oxford Playhouse and Lawrence Batley Theatre on *Going The Distance*, as well as offering our own Christmas show, *The Jungle Book*, to audiences on demand.

We were delighted to welcome David Suchet, who began his career at The Watermill, to perform his one man show to full capacity audiences across 4 performances as he began his tour with us. Our strategy has been to programme work that would offer audiences a joyful return to the experience of theatre, at the same time continuing to be bold in our interpretations of classics and investing in new writing. From *Brief Encounter* to *Spike and Wicker Husband*, we have been heartened by the performance of these shows at the Box Office, as well as the positive feedback we've had from audiences.

We were pleased to be able to continue to share our work beyond Newbury, with *Lone Flyer* performing at Jermyn Street in the summer and returning to The Watermill stage in autumn 2021 before transferring to Hull Truck - Amy Johnson's hometown. Our production of *Tell Me On A Sunday*, produced by Jamie Wilson, was one of the first to tour the UK when restrictions were lifted. Looking ahead, we are delighted to be working with Anthology to take our production of *Spike* on national tour.

Recognising that freelancers and those who are just at the beginning of their careers have been worst affected by the pandemic, we have been committed to providing support through training and employment opportunities. We were delighted to partner with our associate company, Wildcard, to support four companies to develop work for the stage. In addition, we have continued with our Creative Associate scheme, supporting 12 artists including two resident playwrights, directors and designers with mentoring and skills workshops as well as practical experience of creating work for The Watermill stage.

Inclusivity and diversity remains at the heart of our practice and this is reflected in the on stage work with our casts representing 35% global majority background, 48% female identifying and 16% graduates. Our online Deaf Theatre Lovers programme continued to bring Deaf artists and audiences together and we also undertook an audition day to recruit D/deaf BSL interpreters to deliver our integrated interpreted performances – the first of these performances was *The Jungle Book*. We have adapted our recruitment practices to reach more diverse candidates, which was reflected in our Board recruitment of five new trustees.

We are particularly proud of the work that the Outreach team has led, ensuring that those who are vulnerable, have additional needs or are isolated are able to engage in and express themselves through creative activities. We have experienced higher demand for bursary places which we have been able to provide thanks to the support of our funders. We have also seen a much greater need for mental health support amongst our young people.

During the year we made significant changes to the leadership and governance of the organisation. This included the appointment of a new Finance Director and the addition of a new role of Executive Director to work alongside the Artistic Director/Chief Executive and strengthen the strategic leadership team as we advance our business plans, in particular the future re-development of the site.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

We would like to express our thanks to our Trustees who have played an active role in supporting us through the continuing challenges we have faced. We are also enormously grateful to our staff team whose commitment and hard work has ensured that we have continued to produce high quality work and serve our audiences with experiences and activities that helped to reduce social isolation, maintain and build a sense of community and lift people's spirits. The Arts Council's funding remains vital to our survival, and we are thankful for this and for the support of the National Lottery through the 'Love Your Local Theatre' initiative.

TRUSTEES' REPORT

The Trustees present their annual report together with the audited financial statements of the group and the charity for the year to 31 March 2022. The Trustees confirm that the Annual Report and Financial Statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) as amended by Update Bulletin 1 (effective 1 January 2019).

THE WATERMILL: WHO WE ARE AND WHAT WE DO

The Watermill Theatre has established a reputation as one of Britain's leading regional theatres. From its beautiful home in a small Berkshire village near Newbury, the Watermill creates outstanding work that takes to the national and international stage; connects with tens of thousands of local people through its outreach programme each year and provides a unique environment which nurtures new and emerging artists to develop and thrive.

Our mission is to nurture and develop emerging talent and to welcome everyone to enjoy the very best theatre, and all that it can offer; theatre that is relevant and speaks to our times.

Serving around 60,000 people every year, we play a vital role in the creative life of communities across the South of England.

Our aim is to reflect and celebrate the diversity of the UK in all our work, and to connect with all the communities within our locality. We do this through a rich programme of produced work that reflects diverse lived experiences; a vibrant, high quality outreach programme that offers 20k opportunities to people from all backgrounds every year; touring and transferring work to subsidised and commercial theatres across the UK, to schools and to non-traditional spaces across the surrounding counties; and by investing in and nurturing talent from all backgrounds, both on and off stage.

Our programme is a mix of reinvigorated classics and new musicals and drama. Our approach enables us to create work that has heightened relevance and resonance, designed to help us engage established audiences and attract new and younger people. Actor musicianship is integral to our shows, with newly composed and versions of recognised music bringing a fresh energy to the work. We are committed to developing the actor musician form.

Inclusivity and diversity are central to our ethos. We offer specialist provision for children and young people who are home educated, have autism, are deaf or hard of hearing or have added complications in their lives; our artist development and our approach to casting and creative teams prioritises opportunities for early career and under-represented talent; our programme includes a range of accessible performances, including industry leading integrated BSL interpretation by both deaf and hearing interpreters.

As a Grade II listed, converted Watermill on the banks of a river, within an Area of Outstanding Natural Beauty, maintaining and protecting the site and environment is embedded in our practices.

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ARTISTIC PROGRAMME

In May 2021 restrictions began to be lifted and with the impact of Covid 19 still being keenly felt, we took the decision to begin our season outdoors, offering three productions in the beautiful Watermill gardens to a limited, socially distanced audience. Our autumn season was designed to minimise financial risk, whilst at the same time offering work that would be uplifting and encourage audiences to come back inside. Lone Flyer, telling the story of Amy Johnson, returned to the stage, this time as a co-production with Hull Truck; we produced the first revival of Emma Rice's Brief Encounter and, at Christmas The Jungle Book delighted family audiences and school children aged from 4 years old. At the beginning of 2022 we were delighted to be able to produce three new plays, two of which had been planned for pre-pandemic: Spike, a new comedy by Ian Hislop and Nick Newman and The Wicker Husband, a new musical that was cut short in March 2020 brought the financial year to a successful close, whilst a new musical adaptation of Graham Greene's novel, Our Man in Havana, started 2022.

Hound of the Baskervilles – Devised by the company with a female Sherlock and Watson. We brought this production back to the Watermill to open the Summer season for a 4 week run and then it went on a rural tour of the local area for a further 3 weeks. This was the first time we'd taken a tour to outdoor venues. The feedback reflected that for most this was their first experience of theatre since March 2020.

As You Like It – Adaptation by Yolanda Mercy. This radical new adaptation tackled issues such as Black Lives Matter and was the key production in our first ever eco-season placing issues of sustainability at the heart of the production. Yolanda also re-wrote the epilogue to focus audiences' attention on this issue.

"A fine example of how to modernise Shakespeare, all the more spellbinding for the greater stage of the natural world around us." The Guardian.

Just So – We completed our fully accessible outdoor summer season with an epic family musical. The piece which premiered at the Watermill in 1989 made a welcome return and played to 16% new attendees. Our casting and creative teams were some of the most diverse to date and Just So continued the focus on environmental sustainability.

"In Abigail Pickard Price's vibrant new outdoor production... the threat of climate change gives their retelling new relevance" Whatsonstage

Lone Flyer – We brought this production back to the theatre having been originally produced in the midst of the pandemic and then subsequently cut short. This followed a run at Jermyn Street Theatre where it was nominated for 5 Offie awards. It provided opportunities for two of our creative associates who directed and designed the production and tells the story of a strong female protagonist. We co-produced the show with Hull Truck Theatre, a collaboration that brought the story of Amy Johnson back to the city in which she was born.

Brief Encounter – The first major revival of Emma Rice's adaptation of this piece attracted a five star review from The Guardian. This show continued to give emerging creative teams their first main house shows.

Jungle Book – A collaboration between Choreographer/Director Tom Jackson Greaves and South Asian poet/lyricist Sanah Ahsan, this dynamic new family show told a story of adventure that at its heart embraced inclusivity and the importance of community. The strength of the message was reflected in the neon sign that adorned the stage and in the sound of children leaving the theatre singing it aloud: "You belong here, this is your place".

Spike - Ian Hislop and Nick Newman once again partnered to write this brilliant new comedy about comedy icon Spike Milligan. The show garnered great reviews and will embark on a commercial tour in autumn 2022.

"Director Paul Hart summons the spirit of the Goons with a fast-paced, capering production..." The Guardian
The Wicker Husband - This brilliant new folk musical finally made it to the stage after closing the theatre in March 2020. Written by Rhys Jennings and Darren Clark the show told a timeless tale of the outsider, with a breath-taking score and amazing puppetry.

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Developing Talent

In summer 2021 we launched a new strand of our Artist Development programme alongside our Associate Company, Wildcard. LaunchPad provided year-long support for four emerging companies and through this programme we also developed our relationship with Wildcard, expanding the mentorship we provided to them as a company. Having received over 150 applications the four companies that were selected represent a wealth of diverse talent and skill.

During the year, each company undertook a funded week-long R&D at either Wildcard or The Watermill and received company development support in the form of specialist workshops responding to the participants needs. The four supported companies were:

FlawBoard - a company of three artists, two of whom are visually impaired, and create socially provocative devised work with creative access at its core. Their R&D saw them look at developing a piece that explores how people can turn disability into a commodity, with creative access at the core.

Power Play Productions - tell women's stories of social injustice, using theatre, activism, and visual art. A female-led company, their work is impact-driven, generating national recognition for social issues. Their work includes an R&D looking at women in the sex work industry.

Chuchu Nwagu Productions - an independent Black-led theatrical and live entertainment production company. CNP was formed in 2019 with the mission of elevating unheard voices through new stories, creating opportunities for emerging artists & creatives, being an instrumental voice in the re-shaping of the industry and levelling the playing field to provide diverse groups equal access to enter and progress.

Produced Moon - make interactive work for the digital age. Led by digital artist and mathematician Melanie Frances and queer immersive theatre maker Leonie Rae Gasson, the company used VR to develop their new piece.

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Inclusivity and Diversity

The championing of diversity is embedded throughout our artistic programme and artist development, in our outreach and marketing activity and in our recruitment, training and development practices. As part of our funding agreement with the Arts Council we produced an Inclusivity and Relevance update in October 2021 detailing the wide ranging work we are doing in this area. This includes;

- Extending Equality and Diversity training across everyone working with the organisation, including trustees, permanent staff and freelance facilitators
- Continued use of the Theatre Casting Toolkit Tracker and our bespoke Creatives Tracker to manage and monitor the diversity of our companies
- Offering opportunities to early career and diverse artists and staff by working with drama schools, working with Open Hire and Creative Access to reach a wider range of candidates, supporting a traineeship in stage management and production thanks to funding from Andrew Lloyd Webber Foundation.
- Offering a range of pricing options to support those with lower incomes, including ticket prices starting from only £10
- Broadened the diversity of the Board of Trustees in terms of gender, ethnicity, age and disability. 8% identify as global majority, 16% identify as D/deaf or disabled and 33% are aged between 20 and 49 years old.
- Offering bursary places for Outreach programmes, specialist support for people with additional or complex needs and a fully inclusive Youth Ensemble experience bringing together all of the diverse youth theatre groups
- Forging partnerships with organisations such as Mary Hare School, Time to Talk and PALS
- Offering integrated BSL interpretation on 4 shows; relaxed performances for 5 productions and audio description on 8 productions

Of the actors we employed this year:

- 48% were Female (including trans women)
- 1% consider themselves to have a disability and/or impairment
- 35% identified as Black, Asian or ethnically diverse
- 16% were graduates

Audiences

Over the course of the year we welcomed over 33,420 people to 288 socially distanced and full capacity performances. Our diverse programme continues to engage and challenge the audience.

- 15-week summer season of outdoor performances playing to 8496 audience members with The Hound of the Baskervilles (achieved 81% of capacity); a new Watermill Ensemble production of As You Like It (90% of capacity); family musical Just So (64% of capacity)
- First rural tour since the pandemic saw The Hound of the Baskervilles play open air performances in 15 locations across Berkshire, Wiltshire, Hampshire and Oxfordshire to 1294 audience members. For many this was their first live theatre experience since before the pandemic.
- Launched Autumn season of socially distanced and full capacity performances including a revival of Lone Flyer, a brand-new production of Emma Rice's Brief Encounter and a new adaptation of The Jungle Book
- Welcomed 10,504 people to our Christmas production of The Jungle Book including 4121 students from 37 schools
- Streamed The Jungle Book for video on demand enabling access to our work both in person and online
- Hosted the premiere of David Suchet's Poirot and More – A Retrospective national tour with 4 sold out performances
- Achieved 94% capacity and welcomed 2094 new audience members to the world premiere of new Ian Hislop and Nick Newman play SPIKE which played to a total of 7718 people over 5 weeks.
- Reengaged 32% of bookers from 2019 for 2022 revival of The Wicker Husband which entertained a total of 2711 audience members (achieved 81% of overall capacity)
- First Watermill Youth Ensemble production since 2019 was made fully accessible to deaf and visually impaired audience members
- Supported the successful return of in person take part opportunities and continuation of online provision
- Supported the launch of ACT 2 and Name a Seat renewal fundraising campaigns
- Reached audiences digitally with first online co-production, Going The Distance (832 direct sales generated) and as a partner venue on The Picture of Dorian Gray (1,310 direct sales generated)

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OUTREACH, LEARNING AND PARTICIPATION

In the summer we brought our young people and adults together in person to rehearse and perform a socially distanced, community performance in The Watermill Gardens. The piece, 'R Island' was written by associate writer, Talitha Wing and presented by over 60 young people and adults. For many, this was the first social interaction outside their family bubble.

Following the success of this project, at the start of the 2021 academic year, we were confident and delighted to bring all our groups back together in person. Each week we have welcomed over 165 young people, giving space to re-kindle friendships, build confidence and develop essential life skills.

In January our newly formed Youth Ensemble came together to rehearse and perform The Girl Ink and Stars. The piece was presented by 30 young people from across all our groups, involving those who are home educated, deaf, have autism or added complications in their lives. With support from our professional adult team, the cast provided 3 sign-integrated performances and 1 audio-described performance.

Our adult provision returned to full strength. Having continued to meet online throughout the pandemic, our weekly group of retired adults were delighted to be reunited. Our monthly group for adults who need a change of scene has seen an increase in demand, with a steady group of regular participants attending each month – this provision feels more vital than ever.

For those unable or not ready to return in person, we continued to offer online play-reading and singing sessions each week.

To help reach more young people and support schools in post-COVID-19 recovery, we delivered two projects: PLAY ON - a series of workshops in local primary schools to help reach young people most affected by the pandemic. Through this programme we worked with 6 schools and reached 100 primary aged children. With so many young people missing work experience opportunities, we offered Beyond the Stage, a weeklong online work experience programme reaching over 60 young people.

Safeguarding

As work extensively with young people and vulnerable adults, we have clear procedures in place to safeguard our participants:

- Full-time and freelance facilitators are DBS checked (Disclosure and Barring Service)
- Safeguarding Policy is reviewed and updated regularly and is shared with all outreach staff at the Watermill
- Our Outreach Director, Outreach Assistant and Community Associate have all completed Child and Vulnerable Adult Safeguard training. This knowledge and best practice is shared with all freelance facilitators, full-time volunteers and actors, where necessary. They are also informed about the Watermill's in-house safeguarding procedures
- Concerns raised are documented and confidentially discussed by our designated Safeguarding Officers, who take any necessary action. There were no complaints in the year

WORKFORCE

Volunteers

The Watermill Front of House team continues to welcome and assist audiences during their visit to the theatre. The team is made up of a core of 3 paid members of staff and 70 volunteer ushers.

No monetary amount has been included in the Group's voluntary income for the period to reflect the 'in kind' support provided by volunteers.

We are enormously grateful to all our Volunteers for their continued loyal support in this difficult year and how willing they have been to come back and support the theatre through these uncertain times.

Staff - Salary

- The Watermill continued to use the Job Retention Scheme until September on a flexible basis to allow us to gradually rebuild our staffing levels after the theatre reopened in May 2021. The Finance Committee review and monitor the overall payroll for full time staff. Approval of any annual percentage increase is

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then required from the Board of Trustees.

- As a subsidised theatre, the appropriateness and relevance of the remuneration is kept under review with reference to comparisons with other charities ensuring The Watermill remains sensitive to the broader issues of pay and employment conditions elsewhere.
- We aim to recruit, subject to experience, at the lower – medium point within a band, providing scope to be rewarded for excellence. We ensure that all staff earn at least the minimum wage.
- There is access to contributory pension scheme for all qualifying members of staff.
- BECTU (Broadcasting, Entertainment, Communications and Theatre Union) is the UK's media and entertainment trade union. It represents staff, contract and freelance workers who are based primarily in the United Kingdom negotiating pay, conditions and contracts with employers. Although The Watermill does not use BECTU we recognise and pay in accordance with the rates set by the organisation.

Staff - Recruitment

- We aim to recruit any role within the organisation in an accessible manner that reaches as wide a pool of potential candidates. We have reviewed where we advertise roles to ensure we are reaching all areas of our community and the industry.
- Our robust evaluation and reporting process includes an online equal opportunities form using the Arts Council questions. This form is sent to every freelancer (including stage management and outreach) to track our success throughout the year.

BUILDING WORK

2021 was another challenging year with further lockdowns but the Watermill was once again fortunate enough to be able to utilise our beautiful gardens and our maintenance team was diverted to support our production staff in making a Summer Garden Season possible.

As the year progressed more staff were able to return to work on site and another full review of our Health and Safety procedures took place to ensure the working environment and accommodation were as covid safe as possible. Perspex dividing screens were installed in our office, rehearsal, box office and bar areas, as well as continuing with one-way systems, mask wearing and social distancing around the entire site.

We took advantage of the theatre building being closed and the time to continue with refurbishment and re-decoration that could normally only happen during our brief maintenance period each year. Other work included:

- A full Health and Safety Audit by RB Health and Safety Solutions
- Completed essential upgrades to our electrics including replacing the main fuse board in the theatre and Mill House accommodation.
- A new Topographical and Measured Buildings Survey of the entire site.
- We continued our march towards carbon neutrality with LED lighting upgrades to our administration offices and studio rehearsal room, ensuring that 85% of our site is now lit by energy saving lighting.
- Purchased an all-electric van and installed an EV charging point.

FUNDRAISING

The Development Department performed well in this reporting period generating £502,224 (gross) for the theatre. Of this, £98,351 is restricted income and £81,295 relates to Friends memberships, donations and activities. Direct expenditure remains low for unrestricted income at £8k (2020-21: £4k).

With continuing uncertainty in 21/22, the fundraising strategy was shaped by the need to maintain excellent communication with donors and sponsors and to secure funds to support the organisation to return to full strength in terms of producing whilst audience numbers continued to be restricted.

In May 2021, the theatre launched a fundraising campaign, ACT 2, designed to galvanise donors to help 'rebuild our artistic programme and keep productions centre stage.' This campaign was supported by match funding from three benefactors who donated a total of £15,000. The 'match' period ran for a fortnight and attracted 417 people to donate £16,848. ACT 2 continued to be the main fundraising campaign for the year, which generated £48,712 in total (excluding Gift Aid).

In November the Development Team embarked on a re-naming campaign for people who had previously named a seat in our auditorium in 2017 (50th anniversary). The campaign acknowledged the value that their support would bring as the theatre continued to recover from the impact of the pandemic. The campaign generated a

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total of £14,491 (excl Gift Aid).

In order to be able to meet the changing needs of our communities, and increased demand for specialist provision through our outreach team, we applied for an increase to our grant from Greenham Trust. The trust provided a further 30% of funding which supports the Community Associate programme through which we work with disadvantaged groups in our community and offer accessible performances.

We remain grateful for the continued generosity of our incredible supporters, from Trusts and Foundations to corporate partners, individual donors, benefactors and Friends of the Watermill Theatre. Without this help, we would not be able to be so ambitious in our artistic vision or nurture those at the beginning of their career or create hundreds of opportunities for those in our community to take part in a range of outreach and education activities. To all those who kindly support us, we thank you.

Ethical Policy & Due Diligence

The Watermill Theatre is committed to ensuring that its fundraising activities are carried out with the upmost integrity and takes account of the Charity Commission Code of fundraising Practice. The Watermill Theatre is registered with the Fundraising Regulator and works to its standards of charitable fundraising to ensure honesty and transparency with our donors, and that fundraising activities are legal, respectful, open, honest, and accountable to the public. No complaints were received in 2021/22. During the year, Trustees reviewed the organisation's Ethical Fundraising Policy. This policy ensures that The Watermill's fundraising practice aligns with its mission, vision and values, and with key reputational risks of accepting funding or partnering with any external organisation or individual.

The Board of Trustees has overall responsibility for acting in the charity's best interests, including reviewing fundraising agreements within the context of the ethical fundraising policy, in line with Charity Commission guidance. The day-to-day running of the business is delegated to the Chief Executive and delivered by the Executive Director and Management Team. The responsibility to undertake all fundraising is assigned to the Development Director.

Due diligence is a standing agenda item at each meeting of the Board of Trustees.

The Friends of the Watermill Theatre

Despite being unable to host Friends events for the first part of the financial year, and then having limited capacity for events once we were able to welcome people back to the theatre, the Friends of The Watermill have remained strong supporters. We have increased membership during the year, welcoming 142 new Friends, taking membership up to 1,488 people. Friends membership income totalled £72k including gift aid. Events and donations generated a further £8k.

The continued support of this active team of volunteers is deeply appreciated by The Watermill and we are particularly grateful to Ian Widdowson, who has steered the committee through the pandemic.

FINANCIAL REVIEW

The consolidated statement of financial activities show income from charitable activities for the year was £1.1M (2020-21: £266K; 2019-20: £1.8M). Total income for the year was £2.7M (2020-21: £1.9M; 2019-20: £3.3M).

Expenditure on charitable activities in the year was £2.2M (2020-21: £1.3M; 2019-20: £3M) and total expenditure for the year was £2.8M (2020-21: £1.7M; 2019-20: £3.7M).

In 2021-22, the charity entered the last year of a four-year funding cycle from Arts Council England as a National Portfolio Organisation, this has been extended for a further year to 2022-23. Application has been made for funding for 2023-26 at the same level as the last cycle.

Unrestricted Funds

The Trustees report a surplus for the year on unrestricted funds of £1k. This result has enabled us to retain our current level of reserves as we go into a potentially challenging few years.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Watermill Theatre Productions Limited is a subsidiary of Watermill Theatre Limited (the charity) and is commissioned the Trustees of the charity to produce and make artistic decisions about all its shows and to claim Theatre Tax Relief (TTR) on qualifying production costs. TTR provides the Watermill with a repayable credit and has enabled more investment in the direct cost of our productions. The amount derived in a financial year is reinvested in future productions. During 2021/22 the amount of TTR has increased to £158K (2020-21: £15K; 2019-20: £177K). Unfortunately, the Christmas production was unable to benefit from the increase in TTR announced in the budget as the production phase started a couple of days before the announcement, but the Spring shows have benefitted.

The Watermill's charitable activities are made up of income from ticket sales, Outreach and Education activities, programme sales and TTR. In 2021/22 income from charitable activities represented 42% (2020-21: 14%) of unrestricted income, pre-pandemic levels were around 55%. Income was supported by grants from Arts Council England 25% (2020-21: 25%), Job Retention Scheme Grant 3% (2020-21: 23%), Fundraising income 15% (2020-21: 31%), Catering 14% (2020-21: 6%) and other income including interest and local authority grants 1% (2020-21: 1%).

Unrestricted expenditure for the year was £2.6M (2020-21: £1.5M; 2019-20: £3.5M). Increase in costs shows recovery from the pandemic during the year.

Restricted Funds

The Watermill restricted funds are receipts which have been provided by donors for specific purposes within the overall aim of the organisation. The restricted income in the year of £98K is from two grants, one supporting the Community Associate Programme from Greenham Trust £83K and the other financing a Trainee programme from Andrew Lloyd Webber Foundation £16K.

The cumulative balance of restricted funds at the year end are £2.3M (2020-21: £2.3M).

Capital Expenditure

In response to the pandemic, capital expenditure was kept to a minimum with only £27K spent during the year (2020-21: £4K). This included the purchase of an electric van when the old van became uneconomical to repair.

Reserves Policy and Going Concern

The trustees consider that a reserves policy is necessary to maintain sufficient resources to ensure that the following objectives are achieved:

- to manage the impact of the coronavirus pandemic, and the uncertainties surrounding the future of live entertainment to ensure The Watermill's future
- to take all necessary action to ensure the theatre's core activity can resume after this period of unforeseen difficulty including taking measure to protect staff jobs wherever possible
- to support fixed costs in light of the expected shortfall in box office income
- to continue investment in the charity's key assets of the Grade 2 listed property and its amenities as resources allow
- to further the diversification of all our theatre's activities as resources allow.

Having assessed the potential level of risk and taking account of the theatre's planned activities, the Trustees see the reserves being applied in the following way:

Designated reserves of £1.15M for:

- Possible shortfalls in Box Office income to cover unexpected drops in audience numbers and cancelled shows or performances for any reason - £500,000
- Major capital works - Improvements to/re- development of the Grade 2 listed theatre, its offices, rehearsal rooms, and accommodation for actors and creative team - £650,000

There are no changes to the designated reserves from last year as no major capital works took place and there is still a risk of reduction in box office income during the next financial year.

The aim for reserves continue to cover between six to twelve months of current budgeted expenditure. The unrestricted reserves are currently £2.3M and budgeted expenditure for 22/3 has been set at £3M.

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

The trustees have considered the level of funds and cash held, the impact of a challenging fundraising environment the future budgeted income and expenditure as well as the current economic climate and the uncertainties surrounding culture venues, and have determined that the charity has sufficient liquidity to continue its charitable activities for at least twelve months. Therefore, the trustees are of the opinion that the financial statements should be prepared on a going concern basis.

Financial Resilience

Whilst we continue to recover from the pandemic the threat of future disruption has not been completely removed.

In response, the Watermill's management and Trustees have taken steps to secure the theatre's resilience by ensuring:

- staff are fully equipped to work remotely if necessary in the future whilst still being able to collaborate and communicate using Microsoft teams
- COVID – 19 measures remain in place including regular testing of staff and performers
- that we balance and align our artistic ambition with our ability to generate income resulting in a break-even position. This may mean having to produce lower cost productions or more co-productions in order to remain sustainable
- that we manage our resources carefully and creatively, for example reusing production assets for multiple shows where possible.

Investments

The Trustees, having regard to the liquidity requirements of the theatre and the reserves policy, operate a policy of keeping available funds in interest bearing deposits, and seek to achieve the best possible rate of return available without risk to the underlying funds of the charity.

Cash held at the year end was £1.8M (2020-21: £1.7M). Currently all cash deposits are held with instant access or one month notice accounts with five financial institutions. Consideration of longer term deposits will be looked at when there is more certainty around future activity.

Structure, Governance and Management

Since the charity and the group qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required to be submitted.

The Board collaborates with the Artistic and Executive Director and the Senior Management Team to ensure that the Watermill's aims and objectives are fulfilled. The Board delegates to the Artistic and Executive Director overall responsibility for the day-to-day management of the Watermill.

The Board meets six times a year and receives a presentation on all aspects of the running of the theatre from the Artistic and Executive Director and the Senior Management Team. There are two further committees:

- Finance Committee, reviews Annual Budget, Management Accounts, Risk Register and Financial Statements
- Nominations Committee, board recruitment
- Friends Committee, a volunteer fundraising committee

The Trustees regularly review the structure, size and composition of the Board, with the object of having a membership of varied and diverse experience that is able to offer help and advice to the Artistic and Executive Director and the theatre's management team.

Board members are appointed for an initial term of three years, and appointments are extended by approval at the AGM following the end of the term of office.

The existing Trustees, together with the Artistic and Executive Director, ensure that new Trustees receive proper briefing and induction on their appointment.

Objectives and Aims

The principal objects of The Watermill are to promote, maintain, improve and advance education particularly by

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

the production of high-quality theatre experiences and outreach activities.

The Watermill plays a central part in the quality of life of its community. The purpose of our activities is to encourage an understanding and knowledge of the arts through a wide and varied theatrical programme that inspires and provokes thought. A hub for the development of new, diverse talent and work.

In order to achieve the company's charitable aims, The Watermill's programme focuses on:

- Delivering a wide range of theatre productions for everyone
- Delivering a range of participatory activities for all ages and abilities to encourage creativity
- Providing a creative hub for artist development
- Connecting with the local community to work with and inspire people of all ages and abilities.

In developing the objectives for the year, and in planning activities, the Trustees have considered the Charity Commission's guidance on public benefit and pricing. The programme is planned by the Artistic Director so that during the year it provides opportunity for a wealth of freelance artists at different stages of their career creating work that entertains, inspires, and challenges the broadest possible audience. Regard is given to ticket prices in terms of affordability, accessibility, and audience development to build and cement relationships with audiences old and new, making sure our theatre is a place where everyone is welcome.

Risk management

The Watermill faces the following principal risks and challenges:

The charity has a risk register, which is reviewed at the meeting of the Senior Management Team and presented at each Board meeting as part of the business review and planning process. The system of internal control and risk management is designed to identify and prioritise strategic and operational risks to the achievement of the Watermill's aims and objective, evaluate the likelihood of those risks being realised and their potential impact, and manage these risks efficiently, effectively and economically.

The Watermill faces the following principal risks and challenges. Main risks include:

- Continuing to attract audiences and participants in sufficient numbers to achieve its charitable objectives especially in light of the current pandemic
- Retaining staff
- Ensuring that the necessary funds are generated to maintain and improve the assets of the Theatre
- Ensuring continued access to publicly and non-publicly funded grants in an environment of increased demand for these funds

We will address these risks by:

- Making our artistic programme attractive to audiences and ensuring that production values are maintained in all our work; encouraging the audience back by making sure the theatre is compliant in all Covid-19 related safety regulations; being mindful that ticket prices are accessible and affordable
- Generating sufficient income to cover costs
- Continue to nurture relationships with all present and future funding bodies and researching new funding opportunities

We undertake to comply with relevant law and regulations, in particular;

- General Data Protection Regulation (in relation to handling the personal data of any donors, employees and audience)
- The Charities Act
- Tax and Gift Aid legislation
- Charity Commission guidance (in relation to seeking views on whether to accept or refuse a particular donation)
- The Bribery Act 2010 (in relation to bribery offences)
- Fundraising Regulator, Code of Practice

We ensure that clear policies on data protection, health and safety and safeguarding children and vulnerable adults exist and are compliant with current requirements.

The trustees are satisfied that appropriate internal control systems and risk management processes are in place.

WATERMILL THEATRE LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

PLANS FOR THE FUTURE

Looking ahead - Artistic

- At the end of May Mark Evans' new stage adaptation of Bleak Expectations opened the season. The script is a stage adaption of the popular Radio 4 comedy of the same name, a Dickensian spoof, which ran for five series between 2007-2012. Caroline Leslie who has seen great successes at The Watermill with productions such as Wipers Times and Trial By Laughter returned to direct.
- Danielle Pearson's new piece Camp Albion finally had its Watermill premiere having originally been commissioned for 2020, directed by Creative Associate Georgie Straight. After the success of touring Hound of the Baskervilles to open-air spaces, we revisited the gardens, fields and car parks of Berkshire, Wiltshire, Hampshire and Oxfordshire with this show as our rural tour, prior to a run in the theatre.
- Our summer musical is Andrew Lloyd Webber's Whistle Down the Wind. Tom Jackson Greaves who directed the Jungle Book in 2021 has returned to direct the show.
- We will re-form The Watermill Ensemble, for a new version of Othello.
- The Youth Ensemble will return with A Monster Calls, directed by our Community Associate, Angharad Arnott Phillips.
- Our school's tour this year will be Michael Morpurgo's The Sleeping Sword, a new adaptation written by Tatty Hennessy.
- Christmas will see Creative Associate Lucy Betts, who directed Lone Flyer, return to direct Annie Siddons' adaptation of Rapunzel.
- Plans for 2023 are developing based on the response we see to the 2022 season, mindful that the operating environment remain volatile due to the on-going threat posed by Covid 19 as well as the economic climate.

Leadership and Governance

- Further Trustee recruitment will take place in autumn 2022.
- Our General Manager, Clare Lindsay, will retire this year after spending more than half her career at the Watermill. We will be seeking to evaluating the needs of the business and recruiting to the leadership team accordingly.

Audience Development

- Develop and build on partnerships to reach more diverse communities including D/deaf and disabled, global majority and family audiences as well as those from lower socio economic backgrounds.
- Review pricing strategy and outreach programme to support greater accessibility for least engaged audiences.
- Undertake work to gain a deeper understanding of people's perceptions and experience of the Watermill.

Environmental Sustainability & Site Development

- Continued consultation with the Environment Agency regarding the replacement of the failing river sluice situated on the perimeter of our neighbouring land. We are in negotiations with the landowner. Should this work take place it will be supported by funding from The Environment Agency, and we have offered to project manage the work.
- We aim to secure funding to install further EV charging points for use of our audience and visitors to site.
- Continued consultation with Transport and Planning advisors to inform the on-going feasibility study for the future development of the site.

Fundraising

- Launch of another major fundraising campaign, including point of sale donations, to support our talent development programme.
- Secure future match funding to support the success of public facing campaigns.
- Review of individual giving, including Friends of The Watermill Theatre to maximise the potential of growth in this area.

WATERMILL THEATRE LIMITED
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022

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

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

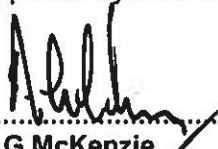
DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that: so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

AUDITOR

The auditor, James Cowper Kreston, has indicated its willingness to continue in office. The Designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

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



.....
A G McKenzie

Chairman

Date: 30/07/2022.

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WATERMILL THEATRE LIMITED

Opinion

We have audited the financial statements of Watermill Theatre Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WATERMILL THEATRE LIMITED
(CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees 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. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WATERMILL THEATRE LIMITED
(CONTINUED)

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.

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.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations ;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

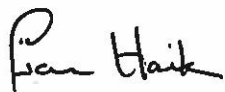
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WATERMILL THEATRE LIMITED
(CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Fiona Hawkins BSc (Hons) MSc FCA (Senior statutory auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Communications Road

Greenham Business Park

Greenham

Newbury

Berkshire

RG19 6AB

Date: 01.08.2022

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	98,351	1,161,317	1,259,668	1,518,374
Charitable activities	9	-	1,098,422	1,098,422	265,712
Other trading activities	6	-	363,242	363,242	108,340
Investments	8	-	1,596	1,596	4,120
Total income		98,351	2,624,577	2,722,928	1,896,546
Expenditure on:					
Raising funds:					
Voluntary income		-	257,858	257,858	180,479
Fundraising income		-	322,638	322,638	217,517
Charitable activities		183,962	2,042,605	2,226,567	1,238,692
Total expenditure		183,962	2,623,101	2,807,063	1,636,688
Net income / (expenditure)		(85,611)	1,476	(84,135)	259,858
Net movement in funds		(85,611)	1,476	(84,135)	259,858
Reconciliation of funds:					
Total funds brought forward		2,334,816	2,279,315	4,614,131	4,354,273
Net movement in funds		(85,611)	1,476	(84,135)	259,858
Total funds carried forward		2,249,205	2,280,791	4,529,996	4,614,131

The notes on pages 24 to 43 form part of these financial statements.

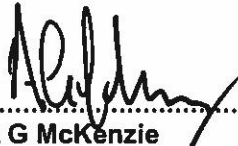
WATERMILL THEATRE LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 978279

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	18	3,199,913	3,326,999
		<u>3,199,913</u>	<u>3,326,999</u>
Current assets			
Stocks	20	9,146	5,555
Debtors	21	259,966	122,915
Cash at bank and in hand		1,847,641	1,659,858
		<u>2,116,753</u>	<u>1,788,328</u>
Creditors: amounts falling due within one year	22	(786,670)	(501,196)
Net current assets		<u>1,330,083</u>	<u>1,287,132</u>
Total net assets		<u><u>4,529,996</u></u>	<u><u>4,614,131</u></u>
Charity funds			
Restricted funds	23	2,249,205	2,334,816
Unrestricted funds	23	2,280,791	2,279,315
Total funds		<u><u>4,529,996</u></u>	<u><u>4,614,131</u></u>

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

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



A G McKenzie
 Chairman

Date: 30/07/2022.

The notes on pages 24 to 43 form part of these financial statements.


WATERMILL THEATRE LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 978279

CHARITY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	18	3,199,913	3,326,999
Investments	19	1	1
		<u>3,199,914</u>	<u>3,327,000</u>
Current assets			
Stocks	20	9,146	5,555
Debtors	21	259,965	122,914
Cash at bank and in hand		1,847,641	1,659,858
		<u>2,116,752</u>	<u>1,788,327</u>
Creditors: amounts falling due within one year	22	(786,670)	(501,196)
Net current assets		<u>1,330,082</u>	<u>1,287,131</u>
Total net assets		<u><u>4,529,996</u></u>	<u><u>4,614,131</u></u>
Charity funds			
Restricted funds	23	2,249,205	2,334,816
Unrestricted funds	23	2,280,791	2,279,315
Total funds		<u><u>4,529,996</u></u>	<u><u>4,614,131</u></u>

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

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



A G McKenzie
 Chairman

Date: 30/07/2022.

The notes on pages 24 to 43 form part of these financial statements.

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash provided by / (used in) operating activities	212,961	483,941
Cash flows from investing activities		
Dividends, interests and rents from investments	1,596	4,120
Purchase of tangible fixed assets	(26,774)	(4,434)
Net cash used in investing activities	(25,178)	(314)
Change in cash and cash equivalents in the year	187,783	483,627
Cash and cash equivalents at the beginning of the year	1,659,858	1,176,231
Cash and cash equivalents at the end of the year	1,847,641	1,659,858

The notes on pages 24 to 43 form part of these financial statements

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

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

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

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

1.2 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 2. 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.

1.3 Going concern

The Trustees have considered the impact of the global COVID-19 pandemic on the ability of the charity to continue trading for the foreseeable future. This review has included considering the impact of the pandemic to the date of signing the financial statements and updating financial projections. Based on this review and taken together with existing financing facilities the Trustees believe that the financial statements have been prepared appropriately on the going concern basis.

1.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Where income is received in advance of performance of specified services it is deferred until the charity is entitled to that fund.

Income from charitable activities represent the amounts received from the box office and from touring activities in respect of all productions performed during the period.

Donations and legacies represents the amounts receivable from grants, sponsorship and other donations.

Grants and donations are recognised as income when entitlement is demonstrable, no conditions are attached, it is probable that the income will be received and the monetary value of the income can be measured reliably.

Income from other trading activities represents the amounts received in respect of the restaurant and bar and other related activities.

Investment income represents interest receivable on cash balances held in appropriate interest bearing deposit accounts.

WATERMILL THEATRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.4 Income (continued)

Interest on funds held on deposit by the charity is included when receivable.

1.5 Expenditure

All resources expended are recognised once there is a legal or constructive obligation to make a payment to a third party. All resources expended are classified under activity headings.

Resources expended are accounted for on an accruals basis.

Resources expended on charitable activities represent the expenditure incurred in respect of productions performed during the period and includes both the direct costs and support costs relating to these activities. Expenditure incurred in respect of productions performed after the date of the balance sheet is deferred to future accounting periods.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Costs of raising funds represents the expenditure incurred in attracting donations and legacies and in respect of the restaurant and bar and other related activities.

Overhead costs are those costs which cannot be directly allocated to an activity of the charity, but nonetheless support these activities. These costs have been allocated between support, management and administration and fundraising, and then further apportioned to appropriate resources expended categories.

The value of services provided by volunteers is not incorporated into these financial statements.

All expenditure is inclusive of irrecoverable VAT.

1.6 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.7 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

WATERMILL THEATRE LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. Accounting policies (continued)

1.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

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

Depreciation is provided on the following bases:

Freehold property	- 2% on cost and land not provided
Leasehold improvements	- 20% on cost
Theatre equipment	- 25% on cost and 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Heating and cooling installation	- 6.6% on cost
Restaurant equipment	- 25% on reducing balance

1.9 Investments

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

1.10 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.11 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

1.12 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.13 Debtors

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

1.14 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.

WATERMILL THEATRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.15 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

1.16 Financial instruments

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

1.17 Government grants

Government grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

1.18 Pensions

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

2. Critical accounting estimates and areas of judgement

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcome could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Critical accounting estimates and assumptions:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

WATERMILL THEATRE LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Income from donations and legacies

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Grants	-	757,554	757,554	889,668
Trusts and donations	98,351	302,993	401,344	545,061
Friends of the Watermill	-	86,520	86,520	73,270
Sponsorship	-	13,750	13,750	10,375
Legacies	-	500	500	-
Total donations and legacies	98,351	1,161,317	1,259,668	1,518,374
Total 2021	61,181	1,457,193	1,518,374	

Included within Friends of the Watermill is £5,858 received from Corporate Friends of the Watermill (2021: £4,800).

4. Grants

	2022 £	2021 £
Arts Council England - general grant	458,673	458,673
Arts Council England - culture recovery grant	197,646	-
Local Authority grant	33,000	14,035
Job retention scheme grant	68,235	416,960
Total	757,554	889,668

5. Sponsorship

	2022 £	2021 £
Sheepdrove Organic Farm	6,000	6,000
Horsey Lightly	5,000	1,750
Saica Pack	2,750	2,625
Total	13,750	10,375

WATERMILL THEATRE LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Theatre, room and technical hire	2,026	2,026	200
Restaurant, bar and other income	361,216	361,216	108,140
Total 2022	<u>363,242</u>	<u>363,242</u>	<u>108,340</u>
Total 2021	<u>108,340</u>	<u>108,340</u>	

7. Restaurant, bar and other income and expenditure

	2022 £	2021 £
Income	361,216	108,140
Cost of sales	(314,379)	(210,977)
Gross surplus	46,837	(102,837)
Administration expense	(8,260)	(6,540)
Net deficit	<u>38,577</u>	<u>(109,377)</u>

8. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Interest	1,596	1,596	4,120
Total 2021	<u>4,120</u>	<u>4,120</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Theatre box office	833,344	833,344	204,556
Touring productions	19,266	19,266	16,889
Youth theatre, education and outreach	68,466	68,466	25,233
Other theatre projects	2,902	2,902	-
Programme receipts	16,223	16,223	3,568
Tax credit on theatre production costs	158,221	158,221	15,466
Total 2022	1,098,422	1,098,422	265,712
Total 2021	265,712	265,712	

10. Expenditure on voluntary income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	146,324	146,324	121,255
Premises costs	11,088	11,088	5,672
Office costs	6,568	6,568	5,083
Fundraising and appeal costs	38,341	38,341	24,037
Publicity costs	55,537	55,537	24,432
Total 2022	257,858	257,858	180,479
Total 2021	180,479	180,479	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Production costs	1,265,685	-	1,265,685	459,590
Management and administration	304,620	-	304,620	288,389
Support costs	-	640,165	640,165	475,299
Governance costs	-	16,097	16,097	15,414
Total 2022	1,570,305	656,262	2,226,567	1,238,692
Total 2021	747,979	490,713	1,238,692	

12. Production costs

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Theatre productions	-	984,474	984,474	306,883
Touring productions	-	13,192	13,192	3,243
Outreach	-	86,380	86,380	51,540
Youth theatre	88,488	30,563	119,051	60,618
Irrecoverable VAT	-	54,232	54,232	32,983
Other theatre projects	-	-	-	162
Programmes	-	8,356	8,356	4,161
Total 2022	88,488	1,177,197	1,265,685	459,590
Total 2021	39,081	420,509	459,590	

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13. Management and administration

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	231,129	231,129	181,475
Premises and repair costs	19,451	19,451	47,857
Office costs	6,568	6,568	5,083
Insurance	2,724	2,724	1,774
Finance costs	-	-	6,785
Other management and administration costs	36,365	36,365	37,438
Depreciation and loss on disposal	8,383	8,383	7,977
Total 2022	304,620	304,620	288,389
Total 2021	288,389	288,389	

14. Support costs

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	-	262,725	262,725	207,835
Premises and repair costs	-	165,334	165,334	81,342
Office costs	-	6,767	6,767	5,237
Insurance	-	21,708	21,708	13,880
IT related costs	-	28,080	28,080	19,243
Other support costs	-	12,576	12,576	6,844
Depreciation and loss on disposal	95,474	47,501	142,975	140,918
Total 2022	95,474	544,691	640,165	475,299
Total 2021	95,714	379,585	475,299	

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Governance costs

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Professional fees	14,655	14,655	14,219
Trustees' insurance	1,442	1,442	1,195
Total 2022	<u>16,097</u>	<u>16,097</u>	<u>15,414</u>

16. Net income/(expenditure)

This is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets: - owned by the charitable group	152,647	148,895
Auditor's remuneration - audit	7,550	7,190
Auditor's remuneration - other services	5,155	4,910
Operating lease rentals	4,785	5,094
Pension costs	<u>30,299</u>	<u>24,115</u>

During the year, no Trustees received any remuneration (2021: £Nil).

During the year, no Trustees received any benefits in kind (2021: £Nil).

During the year, no Trustees received any reimbursement of expenses (2021: £Nil).

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Staff costs

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Wages and salaries	1,050,129	871,785	1,050,129	871,785
Social security costs	78,310	58,790	78,310	58,790
Other pension costs	30,299	24,115	30,299	24,115
	<u>1,158,738</u>	<u>954,690</u>	<u>1,158,738</u>	<u>954,690</u>

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

	Group 2022 No.	Group 2021 No.
Average employee number	<u>51</u>	<u>49</u>

The average full time equivalents employed by the Charity during the year was 35 (2021: 32).

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

The key management personnel of the parent charity and the group comprise Trustees and the Senior Management Team. The total employee costs of the key management personnel were £392,502 (2021: £317,094).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

18. Tangible fixed assets

Group and Charity

	Freehold property £	Long- term leasehold property £	Theatre equipment £	Motor vehicles £	Heating / cooling equipment £	Restaurant equipment £	Total £
Cost or valuation							
At 1 April 2021	4,044,681	68,596	230,889	15,097	583,443	147,614	5,090,320
Additions	-	-	11,209	14,995	-	570	26,774
Disposals	-	-	-	(9,097)	-	-	(9,097)
At 31 March 2022	4,044,681	68,596	242,098	20,995	583,443	148,184	5,107,997
Depreciation							
At 1 April 2021	1,109,893	63,098	196,461	13,284	243,150	137,435	1,763,321
Charge for the year	84,035	786	17,846	3,899	39,766	6,315	152,647
On disposals	-	-	-	(7,884)	-	-	(7,884)
At 31 March 2022	1,193,928	63,884	214,307	9,299	282,916	143,750	1,908,084
Net book value							
At 31 March 2022	2,850,753	4,712	27,791	11,696	300,527	4,434	3,199,913
At 31 March 2021	2,934,788	5,498	34,428	1,813	340,293	10,179	3,326,999

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18. Tangible fixed assets (continued)

Included in land and buildings is freehold land at cost of £28,000 (2021: £28,000) which is not depreciated. Assessment of any difference between carrying value and the market value of freehold land is not considered practicable given the nature of the land.

19. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 April 2021	1
At 31 March 2022	<u>1</u>

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Holding	Included in consolidation
Watermill Theatre Productions Limited	09280479	100%	Yes

The financial results of the subsidiary for the year were:

	Income £	Expenditure £	Net assets £
Watermill Theatre Productions Limited	835,886	(835,886)	1

20. Stocks

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Restaurant and bar	8,572	5,248	8,572	5,248
Merchandise	574	307	574	307
	<u>9,146</u>	<u>5,555</u>	<u>9,146</u>	<u>5,555</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Debtors

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade debtors	21,239	405	21,239	405
Amounts owed by group undertakings	-	-	158,220	15,466
Other debtors	163,307	64,920	5,086	49,453
Prepayments and accrued income	75,420	57,590	75,420	57,590
	<u>259,966</u>	<u>122,915</u>	<u>259,965</u>	<u>122,914</u>

22. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	62,749	43,515	62,749	43,515
Other taxation and social security	43,087	14,825	43,087	14,825
Other creditors	35,995	15,834	35,995	15,834
Accruals and deferred income	644,839	427,022	644,839	427,022
	<u>786,670</u>	<u>501,196</u>	<u>786,670</u>	<u>501,196</u>

	Group 2022 £	Group 2021 £
Deferred income at 1 April 2021	352,011	338,479
Resources deferred during the year	354,162	204,120
Amounts released from previous periods	(214,006)	(190,588)
	<u>492,167</u>	<u>352,011</u>

Deferred income represents amounts received in respect of future productions which take place after the year end.

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Unrestricted funds				
Designated funds				
Major capital works	650,000	-	-	650,000
Shortfalls in Box Office income	500,000	-	-	500,000
	<u>1,150,000</u>	<u>-</u>	<u>-</u>	<u>1,150,000</u>
General funds				
General funds	1,129,315	2,624,577	(2,623,101)	1,130,791
	<u>1,129,315</u>	<u>2,624,577</u>	<u>(2,623,101)</u>	<u>1,130,791</u>
Total Unrestricted funds	<u>2,279,315</u>	<u>2,624,577</u>	<u>(2,623,101)</u>	<u>2,280,791</u>
Restricted funds				
Save the Watermill Appeal	1,895,284	-	(55,709)	1,839,575
ACE Sustainable Grant - Energy Efficient	402,594	-	(39,766)	362,828
Greenham Community Associate Fund	35,110	82,851	(80,220)	37,741
Andrew Lloyd Webber Foundation	1,828	15,500	(8,267)	9,061
	<u>2,334,816</u>	<u>98,351</u>	<u>(183,962)</u>	<u>2,249,205</u>
Total of funds	<u><u>4,614,131</u></u>	<u><u>2,722,928</u></u>	<u><u>(2,807,063)</u></u>	<u><u>4,529,996</u></u>

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

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
Unrestricted funds				
Designated funds				
Major capital works	650,000	-	-	650,000
Shortfalls in Box Office income	500,000	-	-	500,000
	<u>1,150,000</u>	<u>-</u>	<u>-</u>	<u>1,150,000</u>
General funds				
General funds	<u>795,843</u>	<u>1,835,365</u>	<u>(1,501,893)</u>	<u>1,129,315</u>
Total Unrestricted funds	<u>1,945,843</u>	<u>1,835,365</u>	<u>(1,501,893)</u>	<u>2,279,315</u>
Restricted funds				
Save the Watermill Appeal	1,951,233	-	(55,949)	1,895,284
ACE Sustainable Grant - Energy Efficient	442,360	-	(39,766)	402,594
Greenham Community Associate Fund	8,158	61,181	(34,229)	35,110
Andrew Lloyd Webber Foundation	6,679	-	(4,851)	1,828
	<u>2,408,430</u>	<u>61,181</u>	<u>(134,795)</u>	<u>2,334,816</u>
Total of funds	<u>4,354,273</u>	<u>1,896,546</u>	<u>(1,636,688)</u>	<u>4,614,131</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Fund details

Designated Funds

In the 2019 the Trustees assessed the potential level of risk for the theatre and taking into account planned activities designated £1,150,000 of reserves as detailed above.

Restricted Funds

Save the Watermill Appeal - this represents the historic amounts raised to fund the purchase of the theatre premises and to complete associated essential building works.

ACE Sustainable energy efficient grant - this fund comprises Arts Council England's Lottery Funds and additional funds raised for the heating and cooling project to improve the energy efficiency of the theatre.

Greenham Community Associate - this comprises the grant from Greenham Trust and other funds raised for the Community Associate Project.

Andrew Lloyd Webber Foundation - this fund is the Production and Stage Management Trainee Post.

25. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Designated funds	1,150,000	-	-	1,150,000
General funds	1,129,315	2,624,577	(2,623,101)	1,130,791
Restricted funds	2,334,816	98,351	(183,962)	2,249,205
	<u>4,614,131</u>	<u>2,722,928</u>	<u>(2,807,063)</u>	<u>4,529,996</u>

Summary of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
Designated funds	1,150,000	-	-	1,150,000
General funds	795,843	1,835,365	(1,501,893)	1,129,315
Restricted funds	2,408,430	61,181	(134,795)	2,334,816
	<u>4,354,273</u>	<u>1,896,546</u>	<u>(1,636,688)</u>	<u>4,614,131</u>

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26. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	1,978,759	1,221,154	3,199,913
Current assets	270,446	1,846,307	2,116,753
Creditors due within one year	-	(786,670)	(786,670)
Total	2,249,205	2,280,791	4,529,996

Analysis of net assets between funds - prior year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	1,978,519	1,348,480	3,326,999
Current assets	356,297	1,432,031	1,788,328
Creditors due within one year	-	(501,196)	(501,196)
Total	2,334,816	2,279,315	4,614,131

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

	Group 2022 £	Group 2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(84,135)	259,858
Adjustments for:		
Depreciation charges	152,647	148,895
Dividends, interests and rents from investments	(1,596)	(4,120)
Loss on the sale of fixed assets	1,213	-
Decrease/(increase) in stocks	(3,591)	2,885
Decrease/(increase) in debtors	(137,051)	183,235
Increase/(decrease) in creditors	285,474	(106,812)
Net cash provided by operating activities	212,961	483,941

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28. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	1,847,641	1,659,858
Total cash and cash equivalents	1,847,641	1,659,858

29. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	1,659,858	187,783	1,847,641
	1,659,858	187,783	1,847,641

30. Operating lease commitments

At 31 March 2022 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Not later than 1 year	567	4,115	567	4,115
Later than 1 year and not later than 5 years	6,624	4,100	6,624	4,100
	7,191	8,215	7,191	8,215

31. Related party transactions

The Charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 March 2022 (2021: £Nil).

32. Controlling party

There is no individual controlling party. The Charity is controlled by the Trustees as a body.

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
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33. Charity status

The Charity is limited by the guarantees of its members. The extent of each member's liability should the Charity be unable to continue as a going concern is limited to an amount not exceeding £1.