

Registered number: 978279

Charity number: 261430

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

WATERMILL THEATRE LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2024

Trustees

A G McKenzie (Chair resigned 3 June 2024)	M Whitlum Cooper
M Lynas Chair (Chair - appointed 3 June 2024)	N Humby
	R Jahangard
K Breathwick (Vice Chair)	S Bansal
B Chadder	S K Parsonage
C Titley-Rawson	T Wentworth
D W Grindrod	
D Powell	C Barber (appointed 27 July 2024)
H Williamson	
J Bunting	I M Widdowson (resigned 3 August 2023)

Company registered number 978279

Charity registered number 261430

Registered office
Bagnor
Newbury
Berkshire
RG20 8AE

**Company secretary and
Joint Chief Executive Officer** Paul Hart

Key management personnel
Claire Murray – Joint CEO
Kim Austen – Finance and Resources Director
Heidi Bird – Outreach Director
Emma Bright – Marketing Director
Steph Dewar – Development Director

Independent auditor Wenn Townsend, 30 St Giles', Oxford
OX1 3LE

Bankers Handelsbanken, Oxford Square, Newbury RG14
1JQ

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

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CHAIRS' STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

We are pleased to be able to reflect on a positive outcome in our first year since the cut to our annual National Portfolio funding from the Arts Council. In addition to the financial results, we are also enormously proud that the organisation was recognised as Theatre of the Year in the 2024 Stage Awards. This accolade recognises the quality and ambition of the work on stage as well as the talent and commitment of the whole staff team.

The loss of £458k from the budget was eased by a successful application to ACE's transition fund. This helped us to honour the commitments which were already in place to a range of artists in an artistic programme which was 90% confirmed at the time that we received the decision about the cut.

Our artistic ambition remains undiminished and we are reflecting on one of our strongest years, bringing 8 shows to the stage. This included a revival of Barney Norris' tender play, Visitors; a new adaptation of the bestselling novel The Suspicions of Mr Whicher; Mansfield Park, a co-production with Two Gents, which explored colonialism and slavery within the novel and undertook a tour of local villages; and a pared back production of Macbeth which reached over 1000 children and young people in local secondary schools and colleges. The Lord of The Rings was a highlight within the year, seeing the whole team creating an immersive experience for over 17,000 people. This represented a huge investment, bringing the largest company of actors to the stage and an ambitious design for both inside the theatre and outdoors in the gardens. Acclaimed by critics and audiences alike, The Lord of The Rings also helped us to reach new audiences (47% new bookers) and raise the profile of the theatre – and our funding status – nationally and internationally.

The Lord of The Rings also provided a catalyst for further development of the commercial operation, with an expansion of our offer to include more casual options. We also expanded the programme to include additional events in both the theatre and hospitality spaces, all of which have proved successful and provide a roadmap for the future.

Claire Murray, our Executive Director, was appointed Joint Chief Executive alongside Paul Hart, further strengthening the leadership team as they and the rest of senior management developed a new 3-year business plan. This plan sets the organisation in good stead for the years ahead.

The Arts Council cut has seen the team redouble their efforts around fundraising, with remarkable results that reflect the regard in which The Watermill is held within the local and artistic community. Our plans for next year include continuing to grow fundraised income, though we also acknowledge that the extraordinary level of support we received following the funding news is unlikely to be sustained in the long term as the pressure on funders continues to rise.

Andrew McKenzie completed an extended term as Chair of the Board this year, and Trustees are extremely grateful for his work in the role, which included navigating both the global pandemic and the loss of Arts Councils England's National Portfolio funding.

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CHAIRS' STATEMENT CONT'D FOR THE YEAR ENDED 31 MARCH 2024

We remain grateful to the range of trusts, foundations, donors and businesses who have been such a huge source of support to the organisation. The Watermill has faced significant challenges over the last six years and the range and quality of artistic and community programmes is testament to this support and to the team's passion, commitment, resilience and adaptability.

Signed by:

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Michael Lynas

Chair of the Board of Trustees

Date 27 July 2024

Signed by:

C561688F64D147E...

Simon Parsonage

Chair – Finance and Audit Committee

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The Trustees present their annual report together with the audited financial statements of the group and the charity for the year to 31 March 2024. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity. In performance of their duties, the Trustees have had due regard to guidance published by the Charities Commission on public benefit.

REPORT OF THE EXECUTIVE, INCLUDING STRATEGIC REPORT

For the year ending March 2024

The Watermill – Mission and Ethos

The Watermill's charitable objects are to promote, maintain, improve and advance education particularly by the production of educational plays and the encouragement of the arts.

Our mission is to make theatre that is surprising, inventive and exciting, and to make it for everyone. We nurture and celebrate talent and creativity in our company, community and in the sector, and we hold wellbeing, equity and sustainability at the heart of our culture.

Nestled on the banks of the river Lambourn, our converted Grade II listed rural watermill is home to a unique powerhouse of residential and artistic facilities which provide a crucible for creativity, innovative storytelling, and artistic excellence. Artists and creatives from the UK and beyond develop their craft with us, making work which bursts out of the building to tour across the UK, or transfer to the West End. The reach, quality and innovation of our productions is evidenced by a strong track record of co-productions with commercial and subsidised companies, resulting in 50% of our productions being optioned for transfers and tours over the last 5 years.

Our work is characterised by an enduring pursuit of artistic innovation and the weaving of actor-musicianship through new writing and reinvigorated classics. We create the environment for actors and creatives to take risks, we tell stories on stage which reflect diverse lived experiences and we discover new ways to connect our annual audiences of over 50,000, with live theatre that truly resonates. Our engagement programmes reach 20,000 people each year, in the theatre, schools and other community settings. We engage with those who are underrepresented, hard to reach, or at risk and we drive long term impact for communities.

The organisation holds four values at its heart:

- Inclusivity & equity

The Watermill makes work and is a place for all our community. We are committed to making our buildings, productions and participation opportunities accessible and inclusive.

Attracting and nurturing talent – on and off stage, in both the artistic and administrative areas of the organisation – remains a fundamental commitment. In addition, artistic decisions and the delivery of the programme will be underpinned by a core belief that the stories we tell and the people who are part of telling them reflect and celebrate a diversity of lived experience. Our Outreach programme will continue to engage with those whose access to the

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TRUSTEES' REPORT CONT'D FOR THE YEAR ENDED 31 MARCH 2024

arts is limited, and will particularly attend to the needs of our local communities. We will continue to prioritise accessibility in our capital planning, ensuring improvements to benefit audiences, artists and staff members across the site and buildings.

- **Creativity**

Creativity is part of the essence of The Watermill, and we believe that taking an inventive and playful approach is part of offering a joyful experience for everyone. This belief informs the way we approach stories – both new and old; how we stage a production; the approach to a project or activity designed to reach and engage participants and audiences; our communications; and our menu. We nurture and celebrate everyone's creativity and hold it as a key tenet of our work.

- **Sustainability**

Uniquely located on the banks of a river, next to a nature reserve and site of special scientific interest, our relationship to the natural world is integral to the experience of living, working or paying a visit to The Watermill. The climate crisis has a real impact on our operation eg through flooding due to rising river water. As such, we consider taking positive action to reduce our environmental impact a moral obligation driven by a business rationale. Adopting sustainable practices will be central to our operations over the next three years. Underpinned by an understanding of carbon literacy in the arts, we will develop our use of the Green Book principles and effect change in areas including production; food and drink; energy use and waste management; transport; and, in the longer term, the way we tour and transfer our work. We will be considered in making programming choices that reflect our environmental values, and in adopting technology and ways of working that minimise our impact.

- **Community**

Community and collaboration are central to The Watermill's ethos. The site and buildings are a home to artists during their time here, and permanent home to our Artistic Director's family, as well as being a place where the work is made by creatives, actors and our staff team. The combination of home and workplace creates a closer working relationship between our teams and lends itself to a sense of ensemble. We aim to recognise the personal and professional needs of everyone; for example, we support parents and carers through sensitive scheduling and flexible working for on and off stage roles.

The workplace ethos extends to our wider community of participants and audiences with a commitment to understanding their experiences and meeting their needs and expectations to ensure that they can access and enjoy every aspect of our work.

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TRUSTEES' REPORT CONT'D FOR THE YEAR ENDED 31 MARCH 2024

Achievements and Performance

- In January 2024 The Watermill was awarded the title of **Theatre of the Year in The Stage Awards**. The award was made jointly with the National Theatre.
- The Lord of The Rings was awarded Best Regional Production in **WhatsOnStage Awards** as well as being the subject of 8 **Broadway World Awards** including Best New production of a musical, Best director, Best new Regional Production and Best Set Design (a ninth Broadway World Award went to Paul Hart as director of Notes From A Small Island).
- Of the 8 productions we brought to the stage, we invested in an original musical (Sherlock Holmes and the Poison Wood), three revivals (including The Lord of The Rings which was reimagined as a show for actor-musicians) and four were new adaptations (including a new musical version of The Wizard of Oz, and a new adaptation of Mansfield Park, exploring themes of colonialism and historic slavery).
- We welcomed over 51,000 people to the theatre, 39% were new bookers and 8000 people were aged 35 and under – three and a half times more bookers in this age bracket than in the previous year.
- Our production of Mansfield Park toured to 15 local village greens, gardens and car parks whilst our production of Macbeth engaged with over 1,000 children and young people in schools and colleges over a 2-week tour.
- Welcomed over 17,000 people to take part in our outreach activity this year, with 180 young people visiting The Watermill each week to take part.
- Engagement with over 7,300 students through schools' workshops, backstage tours and career insight events.
- Offering 90 access performances across the year, 186 audience members utilising our access services on The Lord of The Rings.
- 45% actors and creatives making work for the stage identified as Global Majority, 11% were deaf or disabled and 57% identified as female or non-binary.
- We invested in our unique site, reinstating an area of the riverbank that had significantly eroded. This area is now being cultivated as a habitat that will support native species to thrive.

A new commercial strategy has seen us increase income in this area by £63k

ARTISTIC PROGRAMME

2023-24 saw one of the most ambitious programmes of work that the Watermill has ever staged. Over the course of the year, we staged an eclectic range of urgent revivals, ambitious new writing,

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TRUSTEES' REPORT CONT'D FOR THE YEAR ENDED 31 MARCH 2024

adaptations, new musical theatre and the most epic musical we have ever staged. Our production of BLEAK EXPECTATIONS also transferred to the West End.

We started the year with a timely revival of VISITORS, a play by local author and playwright, Barney Norris. The play explores the local landscape through the perspective of a character with dementia, who faces the prospect of moving out of their family home and into care. The piece had a huge impact on audiences and it was an important part of the process for us to offer workshops for anyone effected by those issues within the piece. We were very proud to play this piece to over 2000 people during its three-week run.

★★★★ "Elegiac reflections on love, ageing and Thermos flasks" THE TIMES

In the Spring we premiered the world premiere of THE SUSPICIONS OF MR WHICHER which marked the first time one of Kate Summerscale books has been made into a stage piece. An all-female creative team created a show which made use of projection, movement and inventive set-design to realise this tense historical drama which is set in Wiltshire representing another local story for the theatre.

★★★★ 'Kate Summerscale's Victorian potboiler is deftly condensed in a tense drama' THE GUARDIAN

To kick off the summer we presented Jane Austen's classic MANSFIELD PARK, in a new version co-produced with long term collaborators, Two Gents productions. This adaptation explored the colonial aspects of the novel and retold through the perspective of those with Caribbean Heritage. As well as playing the Watermill gardens for two weeks this show also went into rural communities surrounding our West Berkshire location.

★★★★ "Highly original and provocative adaptation" THE SPY IN THE STALLS

This was followed by a hugely ambitious new production of THE LORD OF THE RINGS which played across our outside spaces and inside the theatre. This new version was created through the perspective of the hobbits who took on ownership of the story in a completely original way. The production went on to win a number of major awards including 'Best Regional Production' at the Whatsonstage awards and a transfer to Chicago Shakespeare Theatre is planned for Summer 2024.

★★★★ 'The greatest show on middle-earth' THE GUARDIAN

The Christmas show this year was a brand-new version of THE WIZARD OF OZ adapted by Marietta Kirkbride. The show used puppetry, music and vibrant set-design to bring the piece into a modern world and was seen by over 12,000 people.

★★★★ 'Beautifully reimagined. A perfect show this festive season' CURTAIN CALL REVIEWS

We kicked off 2024 with a brand-new musical; SHERLOCK HOLMES AND THE POISON WOOD which was co-produced with Metta Theatre. This was a bold update of Sherlock in a contemporary world where social media and climate change are explored.

★★★★★ 'A gripping, eye opening, and funny production. A real must-see' WHATSONSTAGE

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The final production of the year saw our youth theatre take over the theatre for two weeks. In a new format for us they staged their most ambitious production to date in Ella Hickson's WENDY AND PETER PAN which reframes the original story to see through the perspective of Wendy.

★★★★★ 'I laughed, I cried, and I saw magic' CURTAIN CALL REVIEWS

Inclusivity and Diversity

We continue to ensure that we are reflecting the diversity of the UK in our acting and creative companies, as well as in the stories we are sharing.

Of the actors we employed this year:

- 57% were Female including trans women or non-binary (47% in 22/23)
- 11% identified as deaf or disabled (5% in 22/23)
- 45% identified as Global Majority (35% in 22/23)
- 32% were graduates (35% in 22/23)

We undertook recruitment for 11 permanent roles in the staff team as well as in open recruitment process for new Trustees and a Chair of the Board. Widening where we advertised the roles, including a greater use of social media and LinkedIn, supported us to attract a more diverse pool of applicants.

Other work in this area included:

- Providing anti-racism and allyship training for staff, freelancers and trustees. This supported our teams to explore our working practice and encouraged discussion and change to continuously improve our inclusivity and accessibility
- Autism Awareness training specifically geared around The Lord of the Rings to support autistic or neurodivergent audience members. This training was attended by the full cast, front of house team and administration staff
- Run five Openhires in the last year
- Development of free career insight opportunities through our Careers in the Arts programme for young people aged 14-25 years, providing those from lower socio-economic backgrounds pathways into the industry
- Creative Traineeship through Careers in the Arts offering an early career artist a paid placement in prop-making and costume. Reasonable adjustments made to support access needs of the successful candidate
- Offering a range of pricing options to support those with lower incomes, including ticket prices starting from only £15 and pay-more/pay less scheme for regular youth theatre groups
- Providing accommodation to a family of four on-site to support two parents to be part of the company of The Lord of The Rings
- Offering weekly BSL lessons to staff and volunteers to support improved confidence and communication skills with deaf customers, participants, and artists and introducing our new 'BSL Chatty Corner' a monthly group for hearing and deaf people to learn BSL

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- Providing 300 free tickets to young people from a low-income background to enjoy the Christmas show, *The Wizard of Oz*
- Offering 23 bursary places for Outreach programmes and specialist support for people with additional or complex needs
- An inclusive Youth Ensemble performance experience, bringing together our diverse youth theatre groups to perform *Wendy* and *Peter Pan*. All performances were Relaxed and BSL integration was available on four shows, with one deaf young person sign integrating the role of Hook.
- Continuing to promote ourselves as a Disability Confident Employer, affirming the practice and processes that are already in place
- Offering accessible performances across the full programme with 12 Relaxed and 8 BSL interpreted, 10 Audio Described with Touch Tours and 61 captioned performances, including open captions on every performance of *Sherlock Holmes* and *The Poison Wood*.
- Employment of a wellbeing facilitator to support the cast during the creative and performance process of *Sherlock* and *the Poison Wood*.
- Partnering with Hear the Picture, who specialise in creating immersive description on the audio description performance of *Sherlock* and *the Poison wood*
- Increased presence and awareness of onsite mental health first-aid team, with contact information shared with full-time team and freelance creatives.

Audiences

Over the course of the 2023-24 financial year, we welcomed over 51,800 people to 347 performances and events, which reflects an average increase of attendance from 151 to 159 per event.

- Overall sales across the year were strong, and we finished £126k over target, largely due to the success of *The Lord of the Rings*. *The Suspicions of Mr Whicher* and *The Wizard of Oz* were also particularly popular titles, exceeding both financial and audience targets.
- 5,258 new customers booked during this period, totalling 15,026 tickets over the year. 50% of tickets sold to new bookers in 2023-24 were for *The Lord of the Rings*. *The Wizard of Oz* also saw high numbers of new bookers, with 28% of bookers new to the Watermill.
- During 2023 – 24, we welcomed back 1,603 bookers (totalling 5478 tickets) who had booked pre-pandemic (up to 31 March 2020) and not returned since. *The Lord of the Rings* and *The Wizard of Oz* were key titles for these audiences.
- Barney Norris' VISITORS was widely lauded by critics and loved by audiences who thought it was 'A fabulous production, beautifully written and nuanced'.
- Our rural tour of Mansfield Park toured to 15 venues across West Berkshire, Wiltshire, Hampshire and Oxfordshire, playing to over 3600 on tour and at the Watermill.
- We welcomed nearly 8,000 under 35s to the theatre in 2023-24, 3.5 times more than the year prior.

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- Our schools tour of Macbeth was well attended at the Watermill, selling at 89% capacity across the week – as well as reaching over 1,000 young people through a two-week schools' tour.
- Our Youth Ensemble production of Wendy & Peter Pan spanned two weekends, playing 8 performances in total, doubling the number of performances it usually plays. We welcomed 268 under 16s to these performances, and introduced an Open Concession ticket, which allowed customers to select a reduced ticket price if that would make the tickets more accessible, which sold 84 tickets.
- There was a refocus of the budget away from traditional media towards digital spend and local outdoor presence. The reliance on the brochure as the major sales tool was reduced, with more balanced spend throughout the campaign timelines, which allowed us to be more responsive to audience behaviour and booking patterns.
- Over this period, we introduced a more flexible approach to ticket pricing, bespoke to each production, with dynamic pricing in place to ensure that we maximised the potential for in demand shows. We have continued to exclude shows which are targeted at family audiences from dynamic pricing and we have introduced an under 16s ticket for all performances of the Christmas show, instead of limiting this to the early performances only. In this way we hope to develop and grow our family audiences. We have re-banded the auditorium, increasing the number of Band A tickets available, specifically at the weekend and for the most popular performances. We have introduced an Open Access Concession, which is customer led, allowing access service users to choose whether they utilise a 25% discount on their tickets.

OUTREACH, LEARNING AND PARTICIPATION

This year we have worked with 17,000 people through our Outreach programme. We have welcomed audiences to take part onsite at the theatre, reached out through local education settings and worked with partner organisations.

Throughout the year, we have listened and responded to the needs of our communities. We have had a focus on connecting our participants to the theatre through industry insight workshops, tailored adult courses and holiday provision, and career focused events. We have used our platform as a producing theatre to shape the breadth and depth of our work.

On our main stage, we created three large-scale performance opportunities for participants. These are essential in building a connection to the theatre, strengthening our community and sense of belonging. Through evaluating our processes and projects, we have been able to document the impact and importance of this work. Participants have learnt teamwork skills, developed their confidence, and increased their resilience.

THE TOY SHOP, an original piece written by a former youth theatre member Talitha Wing, involved 100 primary-aged children from rural schools, who came together to perform on The Watermill stage. For many of these young people, this was their first experience of theatre and collective storytelling.

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“This project has had such a positive impact on all the students. It has taught them to take responsibility, have courage, take on a challenge, have confidence to bring their own personality and extra character to their role” **Class Teacher** (July 2023)

THE WORLD OF IMAGINATION provided a platform performance opportunity for 150 regular participants aged 4-25 years to perform on The Watermill stage. The performance, which was devised and written by the young people themselves, was presented to an invited audience of family and friends.

Over the course of six-months, our Youth Ensemble rehearsed Ella Hickson’s production of WENDY AND PETER PAN which was performed for eight performances in the main theatre in the spring. These performances were shared by two casts, giving 50 young people aged 12 – 25 years the opportunity to take part. This process was supported by a full professional team from The Watermill Theatre, providing a deep insight into the industry. Performers discovered skills in puppetry, stage combat, movement, and music.

“It has added to their confidence, friendships, ability to accept and be accepted, as well of course as the skills learned from the whole Watermill team” **Youth Ensemble Guardian** (March 2024)

Our Careers in the Arts programme in partnership with The Corn Exchange has become established this year. This project gives young people an insight into the creative industry through a wide spectrum of engagement opportunities. We have presented at 6 careers fairs across West Berkshire, reaching over 3500 students. Our Young Creatives programme has worked with 30 young people aged 14-18years, giving them creative insights into theatre design, costume, and sound design. This programme has been particularly successful in welcoming a new cohort of participants to the theatre. We have welcomed 8 young people to take part in Work Experience placements at the theatre, including 3 specialist placements supporting young people with additional access needs. We continued our Young Facilitators scheme this year, giving older youth theatre members the opportunity to learn the skills needed for outreach facilitation. This programme has seen 4 young people complete the scheme, with two young people from last year’s scheme going onto paid work with the theatre. These opportunities are essential in providing a springboard and clear pathways for young people interested in the creative arts industry.

To widen our reach and ensure help reduce the barrier to accessing live theatre, we toured our Schools’ production of Macbeth. This reduced version reached over 1000 young people across 8 schools. The production was supported by Q&A sessions with the cast, performance workshops and an education resource pack. The performance was well received by schools and their students, furthering their understanding of Shakespeare and live performance.

“The students thoroughly enjoyed the performance. They found the versions of the characters engaging and the plot to be enthralling, with really energetic performances” **Head of English Teacher** (October 2023)

Throughout our Outreach provision, we have focused on removing barriers to participation through specialist access provision, bursary provision and transport support. We implemented a pay more/pay less scheme, making our regular provision more accessible to families. We have been working closely with partner organisations to increase awareness of our access programme. We have been focusing on growing our deaf community with specific targeted projects including monthly BSL Chatty Corner events, specialist workshops with deaf artists and projects with partner theatres.

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Having identified an area of need, we increased our engagement with Early Years' families introducing the creative arts at this essential stage of childhood development. Through our outdoor sensory Story Adventures sessions, family Wild Weekends and Fun Days, we welcomed almost 600 children and carers to the theatre.

Safeguarding

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

- Full-time Outreach staff, Designated Safeguarding Officers and freelance facilitators are DBS checked (Disclosure and Barring Service)
- Staff working directly with young people on productions in backstage departments are DBS checked and young people are chaperoned by licensed chaperones.
- The Safeguarding Policy is reviewed and updated regularly and is shared with all staff at the Watermill.
- Our Outreach Director, Outreach Assistant and Community Associates and Careers in the Arts team have all completed Child and Vulnerable Adult Safeguard training. This knowledge and best practice are shared with all freelance facilitators, full-time volunteers, and actors, where necessary. They are also informed about the Watermill's in-house safeguarding procedures.
- Freelance Outreach Facilitators complete West Berkshire's online safeguarding training before commencing work in the department.
- The concerns raised are documented and confidentially discussed by our designated Safeguarding Officers, who takes any necessary action.

COMMERCIAL

As we reviewed our commercial opportunities and devised our three-year business plan, we introduced a series of initiatives to grow commercial income.

The restaurant offer was expanded with The Lord of the Rings providing the opportunity to develop the casual dining offer. This was well received by audiences and enabled us to achieve a 34% increase on average income per performance (compared with Whistle Down the Wind the previous year). As a result of this experience, we have expanded our pre-show bar menu.

We trailed a daytime café offer during the autumn. This proved to be popular with the audiences for the performances and events in that period but didn't attract the level of trade on non-performance days. Our second foray into offering Sunday Lunches for Mother's and Father's Day proved successful and we are considering a more regular Sunday dining offer in future.

We have also introduced a new app to enable people to easily order drinks and snacks wherever they are on site. This was particularly useful during The Lord of The Rings, when audiences were dispersed across the buildings and gardens.

We saw some growth in our Christmas party bookings, which can be built upon in future years and we have also seen an increase in event hire, from birthdays and anniversaries to weddings and wakes.

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A more extensive range of merchandise was made available for The Lord of the Rings, which was enormously successful. We followed this with a range of cuddly Totos for The Wizard of Oz and again, we will continue to develop this offer where opportunities present themselves.

We also expanded our visiting company programme with a range of one-night and shorter run performances including Little Bo Peep and The King of Nothing for early years; entertainment from Mig Kimpton; a stand-up comedy night and jazz from The Hot Club of Jupiter. Music and comedy proved to be particularly popular, and we will continue to develop this programme in 2024/25.

SITE AND BUILDINGS

The site and our buildings represent important assets which need ongoing investment in their maintenance. Our Grade II listed theatre is unique and at the centre of our creative activities, with accommodation, offices and a restaurant and bar being integral to our operations.

Improvements were made to the fabric and decorative state of the accommodation this year. Feedback on the living arrangements has been positive and we plan to continue with a rolling programme of replacement of fixtures and furniture.

We experienced the highest reported water levels for more than 30 years in this financial year, and the threat of flooding was significant in the early part of 2024. We engaged structural engineers to review the state of a number of structures including the culvert and a retaining wall adjacent to the theatre. The culvert has been subject to some temporary repairs this year, which will need to be revisited once water levels subside, in 2024.

We undertook a project to reinstate an eroded section of the riverbank on our front lawn. This work used coir net to rebuild the riverbank in a way that encourages regrowth of natural plants and provides habitats for native species, while preventing further erosion.

The inadequacies of the current rehearsal space were brought to the fore during rehearsals for The Lord of The Rings. Whilst the size of the room is close to that of the stage itself, the demands of a larger cast and multiple instruments made it much more restrictive. In general, access, particularly for wheelchair users, is problematic and heating and cooling presents a problem which often has to be resolved by the hire of heaters and air conditioning units. We have taken the decision to invest in the rehearsal facilities, making a small extension and resolving the heating, cooling and access issues. This work will be undertaken in 2025.

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 60 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.

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TRUSTEES' REPORT CONT'D FOR THE YEAR ENDED 31 MARCH 2024

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 Finance and Audit Committee review and monitor the overall payroll for permanent staff. Approval of any annual percentage increase is then required from the Board of Trustees
- 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
- In deciding pay increases, benchmarking from within the mid-scale theatre community is taken into consideration. Remuneration of key management personnel is decided by the Finance and Audit Committee
- 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. We also recognise Equity for actors and stage management freelancers. Despite the loss of Arts Council funding, we aim to continue to use the sub-rep agreement for all of our contracts.

FUNDRAISING

The Development department has generated £943k income (£679k in 2022/3), of which £83k is restricted income, and £67k is legacy income.

A new Development Director started in May 23, and a new Development Officer started in October. The team have reviewed individual giving as a whole and launched a new membership scheme with a philanthropic focus to draw in engaged supporters and provide more giving options. Communication plans for members have been reviewed, ensuring that donors will receive regular, tailored communication that speaks directly to them and demonstrates the difference they are making.

The management of the Friends of the Watermill has been brought in-house – this helps to ensure that the Friends feel like a cohesive part of the wider membership programme, that the events and interaction that happens around the Friends is appropriate to their membership and is directly informed by our strategy and artistic ambitions. We are extremely grateful for all the hard work and support given by the Friends Committee over the years and to those who continue to support our events and activities.

The fundraising events programme has been reviewed, to establish a greater clarity of purpose. 2023/24 featured three events devised to generate income: a Craft Fair, Comedy Christmas Dinners and Wreath Making Workshops which raised £20k. We also held our first Gala – a stewardship event - during The Lord of the Rings which was successful in terms of generating direct income, as well as fostering relationships with new donors. This work was continued in January, when we held our first Season Launch Dinner – bringing existing and potential donors in and sharing with them news of the

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TRUSTEES' REPORT CONT'D FOR THE YEAR ENDED 31 MARCH 2024

next season before it was announced. This combination of events has served to generate excitement and enthusiasm for our work as well as helping to establish and strengthen our donor relationships.

As a result of the membership restructuring and this range of events, our benefactor numbers have quadrupled, and our Friends membership numbers have stabilized, and are starting to steadily grow.

Throughout the year we ran three public fundraising campaigns: THRIVE and PROPEL were designed to raise core funding, whilst the EMERALD CITY campaign was devised to support young people from low socio-economic backgrounds to see The Wizard of Oz (successfully enabling 300 children to see the show). In total, our public facing campaigns raised £34k.

We continue to benefit from a great level of support from Trusts & Foundations – many of whom have committed to multi-year funding as we transition from an ACE National Portfolio Organisation to being an independent venue. This ongoing support is invaluable, and we continue to work to strengthen relationships with our existing funders, and to build new ones.

We are extremely grateful to all of our supporters, without whom we would be unable to continue to achieve our charitable objectives – creating bold and exciting theatre, offering opportunities for new and emerging artists, and working closely with our local community to ensure that everyone can access and participate in the arts.

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 2023/24.

We ensure that all direct fundraising activity is directed to those who have elected to receive information from us or people who would be considered to have a legitimate interest in supporting the theatre. Our strategy is focused on building personal relationships with individuals, businesses, Trusts, and Foundations who are engaged with our work. Relationships are managed by members of the fundraising team and executive with clear records kept of any contact made with donors.

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 Joint Chief Executives and delivered by the Management Team. The responsibility to undertake all fundraising is assigned to the Development Director.

FINANCIAL REVIEW

The consolidated statement of financial activities show income from charitable activities for the year was £2.3M (2022-23: £1.9M). Total income for the year was £4.1M (2022-23: £3.5M).

Expenditure on charitable activities in the year was £3.3M (2022-23: £3.1M) and total expenditure for the year was £4.0M (2022-23: £3.6M)

The total funds at 31 March 2024 were £4.6M (2022-23 £4.5M)

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TRUSTEES' REPORT CONT'D FOR THE YEAR ENDED 31 MARCH 2024

This is the first year of operating without core Arts Council Funding of £458k but transition funding was received of £268k.

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 £350k (2022-23: £83k) is made up of a grant supporting the Community Associate Programme from Greenham Trust of £82k along with transition funding from the Arts council of £268k.

The cumulative balance of restricted funds at the year-end are £158K (2022-23: £40K).

Capital Expenditure

Expenditure on capital items continued to be small as we developed a new business plan following the loss of the Arts Council funding, £78k spent during the year (2022-23: £62k). This included the purchase of new radio microphones for the theatre (£44k) and a new van (£27k). As part of the business plan, capital spend is expected to increase next year with a combination of major repairs needed and a revamp of our rehearsal space to enable more flexibility of types of shows for the future.

Unrestricted Funds

The Trustees report a surplus for the year on unrestricted funds of £28k (total surplus £146k less restricted surplus of £118k = £28k unrestricted surplus). This result has enabled us to retain our current level of reserves as we go into a potentially challenging few years with the loss of Arts Council Funding and the continued cost of living crisis affecting prices and audience numbers.

Watermill Theatre Productions Limited is a subsidiary of Watermill Theatre Limited (the charity) and is commissioned by 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 significant repayable credit each year which has enabled and continues to enable more investment in the direct cost of our productions. During 2023/24 the amount of TTR receivable has increased to £462k (2022-23: £410k). It is very positive news for us and our industry that the enhanced % recovery rate on core costs has now been extended indefinitely.

The Watermill's charitable activities are made up of income from ticket sales, Outreach and Education activities, programme sales and TTR. In 2023/24 income from charitable activities represented 61% (2022-23: 54%) of unrestricted income.

Unrestricted expenditure for the year was £3.6M (2022-23: £3.5M).

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 uncertainties around individual production sales to ensure The Watermill's future
- to continue investment in the charity's key assets of the Grade 2 listed property and its amenities as resources allow

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TRUSTEES' REPORT CONT'D FOR THE YEAR ENDED 31 MARCH 2024

- 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 £670K for:

- Major capital works – Reserves provide the funds to respond to unplanned, but significant issues relating to the maintenance and development of the Grade 2 listed theatre, its offices, rehearsal rooms, restaurant and accommodation for actors and creative team. This provision is also made as a contribution towards a fuller programme of capital development to make improvements to the accessibility, environmental sustainability, and financial resilience of the organisation. - £650,000
- Future commissions – allowing the Charity to invest in future works that might not end up being a full production - £20,000

The aspiration of the charity is to have unrestricted reserves (excluding the designated fixed asset reserve) of around six months budgeted expenditure. The reserves are currently £1.4M (unrestricted general reserves £769k plus other designated reserves £670k = £1.4M) and budgeted expenditure for 24/5 has been set at £3.5M.

In light of the 100% cut to The Watermill's funding, the priority is making the shift to a new business model and ensuring that the charity can deliver its objectives. Trustees consider that reserves between 3 to 6 months expenditure provide adequate working capital in the short term. The ambition is to ensure that as income stabilizes over the course of the 3-year business plan, progress can be made to increase reserves by year 4 and thereafter.

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

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

- regular review of costs and introducing cost cutting plans
- that we explore other possible income streams and increase fundraising options
- 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.

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TRUSTEES' REPORT CONT'D FOR THE YEAR ENDED 31 MARCH 2024

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 (2022-23: £1.8M). Currently all cash deposits are held with five financial institutions, with some one-year fixed deposits.

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 Joint Chief Executives and the Strategic Management Team to ensure that the Watermill's aims and objectives are fulfilled. The Board delegates to the Joint Chief Executives 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 Strategic Management Team. There are two further committees:

- Finance and Audit Committee, reviews Annual Budget, Management Accounts, Risk Register and Financial Statements
- Nominations Committee, board recruitment

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.

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 to the Finance and Audit Committee and the Board every six months 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 objectives, evaluate the likelihood of those risks being realised and their potential impact, and manage these risks efficiently, effectively and economically.

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TRUSTEES' REPORT CONT'D FOR THE YEAR ENDED 31 MARCH 2024

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

- 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
- Continuing to attract audiences and participants in sufficient numbers to achieve its charitable objectives especially in light of the current cost of living crisis
- retaining staff

We will address these risks by:

- Generating sufficient income to cover costs
- Continuing to nurture relationships with all present and future funding bodies and researching new funding opportunities
- Making our artistic programme attractive to audiences and ensuring that production values are maintained in all our work; encouraging the audience back by being mindful that ticket prices are accessible and affordable

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)
- 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.

PLANS FOR THE FUTURE

Looking ahead

Artistic

Actor musicianship will remain a cornerstone of our work and the shape of the year – with an extended run for the summer musical – will be repeated in 2024. We will continue and we will collaborate with partners to enable us to support new writing and an ambitious programme of work for audiences.

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TRUSTEES' REPORT CONT'D FOR THE YEAR ENDED 31 MARCH 2024

- The new year began with the return of the Shakespeare Ensemble with a new adaptation of MUCH ADO ABOUT NOTHING by Tom Wentworth
- In May, the season continues with FANNY, a new comedy about the other Mendelssohn. Produced in partnership with RJG Productions, this production reflects an adaptation of our business model, with The Watermill providing enhanced support to realise this world premiere
- BARNUM brings the magic of circus to The Watermill in July, with acrobatics and storytelling spilling out of the theatre and into the gardens for an immersive production. The show builds on the successful expansion of the summer musical, running for 11 weeks until September.
- Also in July, THE LORD OF THE RINGS will receive its US premiere at Chicago Shakespeare Theatre, with Paul Hart directing a new American company
- A new production of David Seidler's THE KING'S SPEECH, directed by Emma Butler comes to the stage in September. The play takes an intimate view of one of history's most unorthodox relationships between Bertie, the soon-to-be-crowned King George VI, and speech therapist Lionel Logue
- At Christmas we present a new musical adaptation of Michael Morpurgo's PINOCCHIO.
- The further programme for 2025 will be announced in September 2024, which will include a new play and a youth ensemble production
- Bill Bryson's Notes from A Small Island, adapted for the stage by Tim Whitnall will undertake a UK tour at the beginning of 2025. Originally staged at The Watermill in 2023, this new production will see Les Dennis take on the lead role

Leadership and Governance

- Establish new Chair of the Finance and Audit Committee
- Review the organisational structure in line with the three-year business plan

Audience Engagement and Development

- Complete a visual rebrand and website redevelopment to bring these key assets in line with the organisation's mission and ethos
- Continue to develop the strategy to engage new bookers and retain the current bookers, encouraging loyalty and return bookings
- Monitor sales and pricing, and respond accordingly, to ensure prices remain accessible, whilst financial targets are met.

Environmental sustainability & site development

- Replacement of the degraded wooden staircase to the exterior of the theatre
- Improvements to the rehearsal room to afford more space, greater accessibility and better heating and cooling
- Replacement of the sluice to ensure ease of river management.
- Repairs to the culvert and the wall adjacent to the sluice
- Improvements to the restaurant and bar

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TRUSTEES' REPORT CONT'D FOR THE YEAR ENDED 31 MARCH 2024

Commercial

- Develop the programme of events to include more one-night shows in the theatre and performances in other spaces, including the restaurant
- Continue to review the food and drink offer and expand on commercial opportunities in relation to merchandise and programmes.
- Maximise the use of the theatre, restaurant and studio spaces through private hire and other events.

Fundraising

- Review our Corporate packages and engage with the local business community to ensure our offer is attractive and expand our income in this area.
- Continue to refine and develop our communication strategy across all areas.
- Work to build relationships with new core funders, and plan for project funding for new work identified in the business plan.

Outreach

- Review regular weekly courses for young people, expanding provision into rural areas to reach isolated and under-served communities.
- Increase career pathways and support for emerging artists through our Careers in the Arts programme.
- Continue to listen to our communities and local education settings to inform planning for future projects.

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STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2024

The Trustees (who are also directors of the Watermill Theatre Limited 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 year. Under company 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 in the Charities SORP
- make judgments and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group 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, Wenn Townsend, has indicated its willingness to continue in office. The Designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees. This report was approved by the Trustees, on and signed on their behalf by:

This report has been prepared having taken advantage of the small companies' exemption in the Companies Act 2006

Signed by:

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M Lynas - Chair

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

OPINION

We have audited the financial statements of Watermill Theatre Ltd (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31st March 2024 which comprise Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31st March 2024, 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the 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 and 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WATERMILL THEATRE LTD CONT'D

OTHER INFORMATION

The other information comprises the information included in the trustees' 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.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WATERMILL THEATRE LTD CONT'D

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement set out on page 20, the trustees (who are also the directors of the parent 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 and 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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of 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 bias.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WATERMILL THEATRE LTD CONT'D

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

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

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, in accordance with 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

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Lee Baker FCA (Senior Statutory Auditor)
For and on behalf of Wenn Townsend
Chartered Accountants and Statutory Auditor
30 St Giles
Oxford OX1 3LE
27 July 2024

WATERMILL THEATRE LIMITED
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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Restricted Funds 2024 £	Designated Fixed Asset Fund 2024 £	Other Designated Funds 2024 £	Unrestricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Income from:							
Donations and Legacies (Voluntary Income)	3	350,412	-	-	860,499	1,210,911	1,137,826
Charitable Activities	8	-	-	-	2,268,264	2,268,264	1,863,437
Other Trading Activities (activities for generating funds)	6	-	-	-	574,865	574,865	512,249
Investments (investment Income)	7	-	-	-	40,695	40,695	11,706
Total Income		350,412	-	-	3,744,323	4,094,735	3,525,218
Expenditure on:							
Raising Voluntary Income	9	27,400	-	-	135,816	163,216	149,569
Fundraising Trading (Restaurant, bar and other trading)	6	19,626	-	-	439,007	458,633	419,836
Charitable Activities	10	185,473	163,260	-	2,977,751	3,326,484	3,034,611
Total expenditure		232,499	163,260	-	3,552,574	3,948,333	3,604,016
Net income / expenditure		117,913	(163,260)	-	191,749	146,402	(78,798)
Transfer between funds		-	(23,888)	20,000	3,888	-	-
Fixed asset additions			78,273		(78,273)	-	
Net movement in funds		117,913	(108,875)	20,000	117,364	146,402	(78,798)

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024

Notes	Restricted Funds 2024 £	Designated Fixed Asset Fund 2024 £	Other Designated Funds 2024 £	Unrestricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Net movement in funds (from overleaf)	117,193	(108,875)	20,000	117,364	146,402	(78,798)
Total funds brought forward	39,739	3,110,153	650,000	651,306	4,451,198	4,529,996
Total funds carried forward	157,652	3,001,278	670,000	768,670	4,597,600	4,451,198
Represented by:						
Tangible fixed assets	-	3,001,278	-	-	3,001,278	3,110,153
Current assets	157,652	-	670,000	1,705,047	2,532,699	2,359,360
Creditors due within one year	-	-	-	(936,377)	(936,377)	(1,018,315)
	157,652	3,001,278	670,000	768,670	4,597,600	4,451,198

The notes on pages 32 and 48 form part of these financial statements.

WATERMILL THEATRE LIMITED
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REGISTERED NUMBER: 978279
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	17	<u>3,001,278</u>	<u>3,110,153</u>
		3,001,278	3,110,153
Current assets			
Stocks	19	8,166	8,813
Debtors	20	722,575	600,332
Cash at bank and in hand		<u>1,801,958</u>	<u>1,750,215</u>
		2,532,699	2,359,360
Creditors: amounts falling due within one year	21	(936,377)	(1,018,315)
Net current assets		1,596,322	1,341,045
Total net assets		<u>4,597,600</u>	<u>4,451,198</u>
Charity funds			
Unrestricted funds (excluding designated)		768,670	651,306
Designated fixed asset reserve		3,001,278	3,110,153
Other designated reserves		670,000	650,000
Restricted funds		157,652	39,739
Total funds	22	<u>4,597,600</u>	<u>4,451,198</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:

Signed by:

 B479E2EB0C04BD.....
M Lynas
 Chair

Date: 27 July 2024


The notes on pages 32 and 48 form part of these financial statements.

WATERMILL THEATRE LIMITED
(A company limited by guarantee)
RESGISTERED NUMBER: 978279
CHARITY BALANCE SHEET AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	17	3,001,278	3,110,153
Investments	18	<u>1</u>	<u>1</u>
		3,001,279	3,110,154
Current assets			
Stocks	19	8,166	8,813
Debtors	20	722,575	600,331
Cash at bank and in hand		<u>1,801,958</u>	<u>1,750,215</u>
		2,532,699	2,359,359
Creditors: amounts falling due within one year	21	(936,377)	(1,018,315)
Net current assets		1,596,321	1,341,044
Total net assets		<u><u>4,597,600</u></u>	<u><u>4,451,198</u></u>
Charity funds			
Unrestricted funds (excluding designated)		768,670	651,306
Designated fixed asset reserve		3,001,278	3,110,153
Other designated reserves		670,000	650,000
Restricted funds		<u>157,652</u>	<u>39,739</u>
Total funds	22	<u><u>4,597,600</u></u>	<u><u>4,451,198</u></u>

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

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 M Lynas
 Chair

Date: 27 July 2024

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WATERMILL THEATRE LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash provided by/ (used in) operating activities	25	89,321	(47,563)
		<hr/>	<hr/>
Cash flows from investing activities			
Dividends, interest and rents from investments		40,695	11,706
Purchase of tangible fixed assets		(78,273)	(61,569)
		<hr/>	<hr/>
Net cash used in investing activities		(37,578)	(49,863)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		51,743	(97,426)
Cash and cash equivalents at the beginning of the year		1,750,215	1,847,641
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	26	1,801,958	1,750,215
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 32 and 48 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 2024

1. Accounting policies

a. Basis of preparation of financial statements

The charity is incorporated in England and Wales and 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 to 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.

The financial statements are quoted in sterling and are rounded to the nearest £1.

b. Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. 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.

c. Going concern

The Trustees have considered the impact of global pandemic and the cost living crisis on the ability of the charity to continue trading for the foreseeable future. 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.

d. 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 the 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 represent the amounts receivable from grants, sponsorship and other donations.

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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

e. 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.

f. 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.

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

g. 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.

h. 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 depreciation bases:

Freehold land	no depreciation
Freehold property	2% on cost
Building fixtures and fittings	10% on cost
Theatre equipment	20%/25% on cost and 25% reducing balance
Motor vehicles	25% reducing balance
Heating and cooling installation	6.6% on cost
Restaurant equipment	25% reducing balance

i. Investments

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

j. 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.

k. 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.

l. 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.

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

m. 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.

n. Cash at bank and in hand

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

o. 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.

p. 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.

q. Government grants

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

r. 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.

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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

3. Income from donations and legacies

	Note	Restricted Funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Grants	4	267,561	-	267,561	458,673
Trusts and donations		82,851	701,324	784,175	471,511
Friends of The Watermill		-	48,167	48,167	55,291
Fundraising events		-	20,911	20,911	16,209
Corporate members		-	6,857	6,857	8,642
Sponsorship	5	-	16,000	16,000	21,500
Legacies		-	67,240	67,240	106,000
Total donations and legacies		<u>350,412</u>	<u>860,499</u>	<u>1,210,911</u>	<u>1,137,826</u>
Total 2023		<u>82,851</u>	<u>1,054,975</u>	<u>1,137,826</u>	

4. Grants

	2024 £	2023 £
Arts Council England – transition funding	267,561	-
Arts Council England- general grant	-	458,673
Total	<u>267,561</u>	<u>458,673</u>

5. Sponsorship

	2024 £	2023 £
Sheepdrove Organic Farm	-	6,000
Horsey Lightly	5,500	5,500
Saica Pack	5,500	5,500
Savills UK	5,000	4,500
Total	<u>16,000</u>	<u>21,500</u>

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

6. Restaurant, bar and other income and expenditure

	2024 £	2023 £
Income	574,865	512,249
Cost of sales	(429,641)	(404,836)
Gross surplus	145,224	107,413
Administration expense	(28,992)	(15,000)
Net deficit	116,232	92,413

£19,626 of the restricted Arts Council transition funding was spent on restaurant garden furniture and decoration.

7. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Interest	40,695	40,695	11,706
Total 2023	11,706	11,706	

8. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Theatre box office	1,558,795	1,558,795	1,299,302
Main productions other income	85,400	85,400	-
Touring productions	21,698	21,698	27,618
Youth theatre, education, and outreach	87,642	87,642	97,827
Other theatre projects	17,162	17,162	7,036
Programme receipts	35,730	35,730	21,947
Tax credit on theatre production costs	461,837	461,837	409,707
Total 2024	2,268,264	2,268,264	1,863,437
Total 2023	1,863,437	1,863,437	

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

9. Expenditure on voluntary income

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Staff costs	-	67,738	67,738	50,540
Premises costs	-	14,068	14,068	13,076
Office costs	-	12,834	12,834	15,598
Fundraising and appeal costs	27,400	41,176	68,576	70,355
Total 2024	27,400	135,816	163,216	149,569
Total 2023	-	149,569	149,569	

10. Analysis of expenditure by activities

	Note	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Production costs	11	2,074,216	-	2,074,216	1,764,550
Management and administration	12	317,096	-	317,096	352,077
Support costs	13		921,077	921,077	903,519
Governance costs	14		14,095	14,095	14,465
Total 2024		2,391,312	935,172	3,326,484	3,034,611
Total 2023		2,116,627	917,984	3,034,611	

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

11. Production costs

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Theatre productions	116,099	1,613,916	1,730,015	1,370,191
Touring productions	-	2,369	2,369	13,272
Youth theatre, education and outreach	63,660	133,177	196,837	234,205
Irrecoverable VAT	5,714	116,249	121,963	122,525
Other theatre projects	-	5,616	5,616	3,312
Programmes	-	17,416	17,416	21,045
Total 2024	<u>185,473</u>	<u>1,888,743</u>	<u>2,074,216</u>	<u>1,764,550</u>
Total 2023	<u>89,914</u>	<u>1,674,636</u>	<u>1,764,550</u>	

12. Management and administration

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Staff costs	234,129	234,129	234,109
Premises and repair costs	24,301	24,301	22,557
Office costs	12,834	12,834	15,598
Insurance	3,835	3,835	3,594
Other management and administration costs	13,924	13,924	53,519
Depreciation and loss on disposal	28,073	28,073	22,700
Total 2024	<u>317,096</u>	<u>317,096</u>	<u>352,077</u>
Total 2023	<u>352,077</u>	<u>352,077</u>	

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

13. Support costs

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Staff costs	361,669	361,669	379,319
Premises and repair costs	206,556	206,556	191,737
Office costs	13,223	13,223	16,070
Insurance	31,216	31,216	29,162
IT related costs	31,019	31,019	29,543
Other support costs	118,316	118,316	129,057
Depreciation and loss on disposal	159,078	159,078	128,631
Total 2024	<u>921,077</u>	<u>921,077</u>	<u>903,519</u>
Total 2023	<u>903,519</u>	<u>903,519</u>	

14. Governance costs

	Unrestricted Funds 2024 £	Total funds 2024 £	Total Funds 2023 £
Professional fees	12,711	12,711	13,081
Trustees' insurance	1,384	1,384	1,384
Total 2024	<u>14,095</u>	<u>14,095</u>	<u>14,465</u>

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

15. Net income/(expenditure)

This is stated after charging:	2024	2023
	£	£
Depreciation of tangible fixed assets: -owned by the charitable group	163,260	151,329
Auditor's remuneration - audit	10,500	10,500
Operating lease rentals	18,119	2,975
Pension costs	32,492	32,988

During the year, one Trustee received £690 remuneration for work with the outreach team (2023: one Trustee received remuneration of £1,500 for adaptation of a play. This fee was completely unrelated to their work as a Trustee.). No other related party transactions during the year.
During the year, no Trustees received any benefits in kind (2023: £Nil).
During the year, no Trustees received any reimbursement of expenses (2023: £Nil).

16. Staff costs

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Wages and salaries	1,116,897	1,385,807	1,116,897	1,385,807
Social security costs	86,753	45,914	86,753	45,914
Other pension costs	32,492	32,988	32,492	32,988
	<u>1,236,143</u>	<u>1,464,709</u>	<u>1,236,143</u>	<u>1,464,709</u>

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

	Charity 2024 No.	Charity 2023 No.
Average full-time equivalents employed	<u>37</u>	<u>37</u>

The number of employees whose emoluments as defined for taxation purposes excluding pension contribution amounted to £60,000 or more on an annualised basis was as follows:

	Charity 2024 No.	Charity 2023 No.
£60,000 - £70,000	1	1
£70,000 - £80,000	<u>1</u>	<u>-</u>

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 £331,506 (6 people) (2023: £368,618 (7 people)).

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

17. Tangible fixed assets

Group and Charity

	Freehold property £	Overflow car park £	Building fixtures & fittings £	Theatre equipment £	Motor Vehicles £	Heating/ cooling equipment £	Restaurant equipment £	Total £
Cost or valuation								
At 1 April 2023	3,956,127	68,596	88,554	290,515	20,995	583,443	161,336	5,169,566
Additions	-	-	-	51,765	26,508	-	-	78,273
Disposals	(30,887)	-	-	(36,123)	-	-	(1,658)	(68,668)
At 31 March 2024	<u>3,925,240</u>	<u>68,596</u>	<u>88,554</u>	<u>306,157</u>	<u>47,503</u>	<u>583,443</u>	<u>159,678</u>	<u>5,179,171</u>
Depreciation								
At 1 April 2023	1,227,427	64,668	50,144	233,914	12,223	322,681	148,355	2,059,413
Charge for the year	78,422	684	13,125	27,039	2,193	38,160	3,637	163,260
On disposals	(7,055)	-	-	(36,123)	-	-	(1,602)	(44,780)
At 31 March 2024	<u>1,298,764</u>	<u>65,352</u>	<u>63,269</u>	<u>224,830</u>	<u>14,416</u>	<u>360,842</u>	<u>150,390</u>	<u>2,177,893</u>
Net book value								
At 31 March 2024	<u>2,626,446</u>	<u>3,244</u>	<u>25,285</u>	<u>81,327</u>	<u>33,087</u>	<u>222,601</u>	<u>9,288</u>	<u>3,001,278</u>
At 31 March 2023	<u>2,728,700</u>	<u>3,928</u>	<u>38,410</u>	<u>56,601</u>	<u>8,772</u>	<u>260,762</u>	<u>12,981</u>	<u>3,110,153</u>

Included in land and buildings is freehold land at cost of £28,000 (2023: £28,000) which is not depreciated.

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

18. Fixed asset investments

	Investments In Subsidiary Companies £
Charity	
Cost or valuation	
At 1 April 2023	1
At 31 March 2024	1

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	1,251,861	1,251,861	1

19. Stocks

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Restaurant and bar	7,689	8,464	7,689	8,464
Merchandise	477	349	477	349
	8,166	8,813	8,166	8,813

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

20. Debtors

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Trade debtors	65,159	22,602	65,159	22,602
Amounts owed by group undertakings	-	-	456,183	409,705
Theatre tax relief	456,184	409,706	-	-
Other debtors	83,313	10,662	83,313	10,662
Prepayments and accrued income	117,919	157,363	117,919	157,363
	<u>722,575</u>	<u>600,333</u>	<u>722,575</u>	<u>600,332</u>

21. Creditors: Amounts falling due within one year

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Trade creditors	120,886	124,446	120,886	124,446
Other taxation and social security	33,145	31,570	33,145	31,570
Other creditors	12,341	10,988	12,341	10,988
Accruals and deferred income	770,005	851,311	770,005	851,311
	<u>936,377</u>	<u>1,018,315</u>	<u>936,377</u>	<u>1,018,315</u>

	Group 2024 £	Group 2023 £
Deferred income at 1 April 2023	776,509	492,167
Resources deferred during the year	(726,559)	(442,167)
Amounts released from previous periods	<u>666,551</u>	<u>726,509</u>
	<u>716,551</u>	<u>776,509</u>

Deferred income represents amounts received in respect of future productions and donations and grants which the donor has specified to be used in future accounting periods.

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

22. Statement of funds

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
Unrestricted funds					
Designated fixed asset fund	3,110,153	-	(163,260)	54,385	3,001,278
Other Designated funds					
Major capital works	650,000	-	-	-	650,000
Future commissions	-	-	-	20,000	20,000
General funds	651,306	3,744,323	(3,552,574)	(74,385)	768,670
Total Unrestricted funds	<u>4,411,459</u>	<u>3,744,323</u>	<u>(3,715,834)</u>	<u>-</u>	<u>4,439,948</u>
Restricted funds					
Greenham Community Associate Fund	37,638	82,853	(63,660)	-	56,831
Andrew Lloyd Webber Foundation	2,101	-	-	-	2,101
Arts Council transition funding	-	267,559	(168,839)	-	98,720
	<u>39,739</u>	<u>350,412</u>	<u>(232,499)</u>	<u>-</u>	<u>157,652</u>
Total of funds	<u>4,451,198</u>	<u>4,094,735</u>	<u>(3,948,333)</u>	<u>-</u>	<u>4,597,600</u>

WATERMILL THEATRE LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

22. Statement of funds (continued)

Statement of funds

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Unrestricted funds					
Designated fixed asset fund	3,199,913	-	(151,329)	61,569	3,110,153
Other Designated funds					
Major capital works	650,000	-	-	-	650,000
General funds	633,281	3,442,367	(3,362,773)	(61,569)	651,306
Total Unrestricted funds	<u><u>4,483,194</u></u>	<u><u>3,442,367</u></u>	<u><u>(3,514,102)</u></u>	<u><u>-</u></u>	<u><u>4,411,459</u></u>
Restricted funds					
Greenham Community Associate Fund	37,741	82,851	(82,954)	-	37,638
Andrew Lloyd Webber Foundation	9,061	-	(6,960)	-	2,101
	<u>46,802</u>	<u>82,851</u>	<u>(89,914)</u>	<u>-</u>	<u>39,739</u>
Total of funds	<u><u>4,529,996</u></u>	<u><u>3,525,218</u></u>	<u><u>(3,604,016)</u></u>	<u><u>-</u></u>	<u><u>4,451,198</u></u>

23. Fund details

Designated funds

Designated Fixed Asset Fund - the accounts have been restated in 23/24 with the creation of a Designated Fixed Asset fund to represent the value of funds tied up in the fixed assets of the charity. £54k has been transferred out of general funds into designated fixed asset fund representing the movement in fixed assets in the year (2022-23: £61k).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Other Designated funds – the trustees have set aside funds for future capital expenditure and created a new designated fund to fund investment into future commissions. £20k has been transferred out of general funds into other designated funds for future commissions (2022-23: £0k).

Restricted funds

Greenham Community Associate – this comprises the grant from Greenham Trust

Andrew Lloyd Webber Foundation – this fund covered the production and Stage Management trainee post and finished in summer 2022.

Arts Council Transition Funding – funding received following the removal of core grant from the Arts council. This grant was to fund specific activity part of which will be spent in 2024/25

24. Summary of funds

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers In/out £	Balance at 31 March 2024 £
General funds	651,306	3,744,323	(3,552,574)	(74,385)	768,670
Designated fixed asset fund	3,110,153	-	(163,260)	54,385	3,001,278
Other designated funds	650,000	-	-	20,000	670,000
Restricted funds	39,739	350,412	(232,499)	-	157,652
	4,451,198	4,094,735	(3,948,333)	-	4,597,600

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

	Group 2024 £	Group 2023 £
Net income/expenditure for the year (as per Statement of Financial Activities)	<u>146,402</u>	<u>(78,798)</u>
Adjustments for:		
Depreciation charges	163,260	151,329
Dividends, Interests and rents from investments	(40,695)	(11,706)
Loss on the sale of fixed assets	23,888	-
Decrease/(increase) in stocks	646	334
Decrease/(increase) in debtors	(122,242)	(340,367)
Increase/(decrease) in creditors	<u>(81,938)</u>	<u>231,645</u>
	<u>(57,081)</u>	<u>31,235</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Net cash provided by/ (used in) operating activities	89,321	(47,563)
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26. Analysis of cash and cash equivalents

	Group 2024 £	Group 2023 £
Cash in hand	1,801,958	1,750,215
Total cash and cash equivalents	1,801,958	1,750,215

Analysis of changes in net debt

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	1,750,215	(51,743)	1,801,958
Total changes in net debt	1,750,215	(51,743)	1,801,958

27. Operating lease commitments

At 31 March 2024 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Not later than 1 year	695	-	695	-
Later than 1 year and not later than 5 years	67,051	79,341	67,051	79,341
	67,746	79,341	67,746	79,341