

# LYRIC THEATRE HAMMERSMITH LIMITED (THE)

(A Company Limited by Guarantee)

Registered Company No.1443809

Registered Charity No.278518

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Lyric Theatre Hammersmith Limited (The)  
Trustees' Report  
For the year ended 31 March 2022

The Trustees of the Lyric Theatre Hammersmith are pleased to present their report together with the financial statements for the year ended 31 March 2022.

REFERENCE AND ADMINISTRATIVE DETAILS

**Company Details**

Registered Name: Lyric Theatre Hammersmith Limited (The)

Registered Charity No.: 278518

Registered Company No.: 1443809

Registered Address: Lyric Hammersmith Theatre  
Lyric Square  
King Street  
London W6 0QL

Chief Executive &  
Artistic Director: Rachel O'Riordan

Executive Director: Amy Belson

**Advisers**

Auditors: Saffery Champness LLP  
71 Queen Victoria Street  
London EC4V 4BE

Bankers: Barclays Bank  
Knightsbridge Business Centre  
PO Box 32014  
London NW1 2ZG

Solicitors: Harbottle and Lewis  
14 Hanover Square  
London W1R 0BE

Farrer and Co LLP  
66 Lincoln's Inn Fields  
London WC2A 3LH

**Constitution**

The Lyric Theatre Hammersmith is a registered charity and a company limited by guarantee, governed by its Memorandum and Articles of Association dated 14 August 1979 and last updated in 2004.

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STRATEGIC REPORT

## Objectives

The objectives of the charity as set out in the Lyric's Memorandum and Articles of Association are:

- The advancement of the education of the public, and in particular of people living or working in the London Borough of Hammersmith and Fulham and in West London, in the arts
- The provision of facilities for recreation and other leisure time occupations for the public and in particular persons living and working in the London Borough of Hammersmith and Fulham.

## Activities

### ARTISTIC PROGRAMME 2021-22

Following the building's closure, we reopened our auditorium to audiences with our production of *Out West* – a monodrama trilogy of newly commissioned plays by three of Britain's most exciting playwrights; Tanika Gupta, Simon Stephens and Roy Williams. The production, co-directed by Rachel O'Riordan and Diane Page, received excellent 4 star reviews across the board and a fantastic audience reaction. '*Out West*, a superb triptych of monologues relaunching the Lyric Hammersmith, is united by a strong sense of the local area...' – *The Telegraph*.

*The Very Hungry Caterpillar* ran for two weeks during the summer holidays providing an opportunity for us to retain our connection with and provide an offer for our important family audience. This proved to be a successful touch point in the year (whilst not having our regular Little Lyric season running) with this audience demographic, which we began re-establishing ahead of our Christmas season. In the summer we also programmed and delivered 'Lyric Fest' in collaboration with Hammersmith BID. The outdoor family festival ran across a weekend in August and included performances, music, dance, arts and crafts and storytelling.

In September, *Heart of Hammersmith* (our first large-scale community production) opened – having been re-scheduled from earlier in the summer due to Covid cases within the company. The production exceeded its box office target, but more importantly, welcomed our local community back to the Lyric – placing their stories on our stage in way that created an incredible atmosphere across the theatre. It was the first time the Lyric had produced an intergenerational community play, and the outcome was exhilarating and instructive.

Our co-production of *The Beauty Queen of Leenane* by Martin McDonagh, directed by Rachel O'Riordan, was both a critical and financial success. Produced by the Lyric with Chichester Festival Theatre, the contemporary classic opened in Chichester in September to excellent reviews. 'Devilishly brilliant. Rachel O'Riordan's revival, 25 years on, affirms *Beauty Queen's* status as a modern classic. This is a masterclass in character-acting.' – *Daily Telegraph*. The production returned to the Lyric in October where it was seen by over 7,500 audience members – with only one performance cancelled due to a suspected Covid close contact.

In the autumn, we announced our 2022 season of bold and ambitious work (exploring themes that permeate our post-lockdown world) combining classicism with contemporary plays. Productions included *Running with Lions* (a co-production with Talawa Theatre Company) February-March 2022, *Scandaltown* (a new play by Mike Bartlett) April-May 2022 *Britannicus*

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(Timberlake Wertenbaker after Racine) and *Closer* (25<sup>th</sup> anniversary production of Patrick Marber's contemporary classic). The Season began with *For the Culture: Celebrations of Blackness* – a festival celebrating Black joy, talent and success whilst amplifying Black History.

Despite significant Covid-related challenges, the Lyric achieved a successful festive period. Our Pantomime, *Aladdin* written by Vikki Stone, was seen by over 20,000 people and made over £400,000 at the box office. In spite of losing 18 performances during the run because of Covid cases within the company, we achieved an audience capacity of over 80% for the performances that went ahead. *Aladdin* went on to win numerous awards at the UK Panto Awards. Our much loved studio production of *Raymond Briggs' Father Christmas* was also struck with Covid cases throughout the run, but was seen by over 10,000 audience members and made over £100,000 (reaching 85% of its target) at the box office.

Our hugely successful, inaugural *For the Culture: Celebrations of Blackness* festival (celebrating Black joy, talent, culture and creativity), ran across a long weekend in January 2022. The programme curated by Dr Peggy Brunache, Tinuke Craig and Nicholai La Barrie included performances, music, readings, discussions, talks, films, food, and art from some of the UK's most exciting and talented Black artists. Headline acts were Le Gateau Chocolat, Shingai, 90s Baby Show, Lemn Sissay - with a host of free events complimenting this activity throughout the three days. Attendance at the festival vastly exceeded our expectations given the Covid infection spike that occurred at the start of the year – with both paid-for and free events selling out across the weekend. Box office income of over £25,000 was achieved and the festival was delivered significantly under budget, but most importantly we welcomed our Black community/audiences back to the Lyric in record numbers.

Our co-production of *Running with Lions* (with Talawa Theatre Company), a debut play by Sian Carter directed by Talawa's Artistic Director Michael Buffong, opened at the Lyric in February. Despite the production not hitting its financial targets, the show was well received critically and unveiled Sian Carter as a major new Black British writing talent. '...a formidable debut from Carter...' – *Time Out*.

In the autumn, we recommenced our Little Lyric programme of family shows in the Studio, which continued throughout the spring on a weekly basis. Across six weeks in September and October, the Lyric also hosted weekly Artistic Residencies for local West London theatre companies – providing them with space and expertise as they developed new work (with some of this work returning to the Lyric for future development in the summer of 2022).

#### YOUNG LYRIC 2021-22

As the pandemic restrictions began to ease, our longstanding commitment to support and nurture young people in our West London catchment area (the ten surrounding boroughs to Hammersmith & Fulham) continued through the following strands of work:

##### Education

- Tanika Gupta's adaption of *A Doll's House* (first staged and commissioned by the Lyric in 2019) became a set text on the Pearson Edexcel GCSE Drama curriculum. To accompany the teaching of this new text, the Lyric created extensive educational resources including interviews with creatives, curriculum guides and an educational resource pack.

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- Working in partnership with A New Direction, we oversaw the strategic handover of the Local Cultural Educational Partnership (LCEP) to our local authority's education team, the Lyric continued to play a leading role in ensuring a creative childhood remains accessible for all within the borough.

#### **Inclusion**

- REWIND, our arts intervention project in pupil referral units returned successfully to in-house delivery at the Lyric, working in partnership with Westside School, Courtyard Academy and Bridge Academy in supporting some of the most vulnerable young people back into education.
- START, our theatre programme for NEET West Londoners aged 16-25 returned to in-person delivery, engaging and equipping over 30 young people in employability skills through the use of theatre and performance.
- Refugee provision: working in partnership with LBHF we delivered a series of workshops for local refugees, situated in Hammersmith and Fulham, including free ticket offers to productions in our season.

#### **Emerging Talent**

- In January 2022, we launched Springboard, our new flagship actor training programme for young people aged 18-25 who are under-represented in theatre and each have little to no formal experience at the time of entry onto the course. We continued to work with the first 10 trainees in this pilot year, giving them 360° access to the Lyric theatre and its artists both on and off stage.
- Our annual Evolution festival returned for its sixth year showcasing reimagined classics, new writing and a new digital collaboration with the Roundhouse.
- Our Bill Cashmore Award production of *Kick* by Martha Watson Allpress headlined Evolution festival as a brand new play in our studio theatre.

#### **COMMUNITY & PARTNERSHIPS**

During 2021, we developed and staged the Lyric's first ever large-scale community production, *Heart of Hammersmith*. The production engaged over 51 participants aged between 11-88 years old from our local community. We gave 41% of tickets free to West London residents, schools and community organisations and artistically collaborated with our Lyric Partners enhancing our commitment and expertise in access and inclusion from sector-leading specialist organisations.

The Lyric partnership is a vital element in our ability to engage and interact with our local community. In 2021-22 we continued to work with like-minded organisations to the benefit of people from all parts of our community, collectively offering over 100 free or low-cost creative classes in theatre, dance, music and disability arts.

Our partners are: Action on Disability, Amici Dance Theatre, Dance West, Musiko Musika, New English Ballet Theatre, Tri-borough Music Hub and Turtle Key Arts

#### **DIVERSITY AND INCLUSION**

Through 2021-22 we continued our 'Commitment to Change', a body of work focused on changing the Lyric for the better and being an actively anti-racist organisation. Our Action Plan for Change was developed in consultation with staff, artists, stakeholders and our race equity

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consultants, with actions focused on workforce, HR, fundraising, internal communication and our work on and off stage.

Areas of focus and activity included:

- Diversifying the Lyric Board with four new appointments in August 2021, this recruitment process was led by BAME recruitment.
- The appointment of a new Executive Director and Chair, continuing the Lyric as a female led organisation.
- A commitment to diversifying the team with 37% of permanent staff and 41% of freelance staff identifying as being from the Global Majority .
- Being the first theatre to sign up as an Ally for Change partner with Inc Arts UK and consulted on their 'Act Against Racism' campaign.
- Working with staff, the introduction of a Diversity Development Group tasked with supporting leadership in diversity and inclusion in all areas of the Lyric.
- Carrying out a training needs analysis to form the basis of an organisation-wide programme to provide development to all staff, including Unconscious Bias training.
- The presentation of the first *For the Culture: Celebrations of Blackness* Festival, which took place in January 2022 in response to Black Lives Matter and was seen by over 2,500 over one weekend.
- The Lyric's first community play *Heart of Hammersmith*, which took place in September 2021 with 51 residents of all ages and abilities.
- The improvement of access provision across our shows with an easy read version of Panto introduced for relaxed performances and work beginning on a social story.

## ENVIRONMENTAL SUSTAINABILITY

Our commitment to environmental sustainability has continued as we re-opened the Lyric following the lockdowns. In particular we aim to work to the baseline standard in the Theatre Green Book on all our in-house productions, and we are working with ACE's Spotlight Programme and the London Theatre Consortium to remain at the forefront of sustainability issues in the sector.

Our carbon footprint from scope 1 and 2 emissions in 2021-22 was 168 tonnes of CO<sub>2</sub>e, all of which was obtained from 100% renewable energy supplies (Good Energy and Ecotricity). Our footprint from scope 3 emissions was an estimated 463 tonnes of CO<sub>2</sub>e, 99.7% of which was generated by audience travel.

## FUNDRAISING

In a year of re-opening recovery we were so grateful for the support of our loyal existing supporters as well as new ones who have been invaluable in helping us to continue to reach our fundraising targets in the face of so many challenges. We are very grateful for the support of the Trusts and Foundations, Corporates, Individuals and Public Funders who have ensured the re-opening year post-pandemic was resourced for the benefit of artists, our audiences, local community and young people.

The Lyric's artistic and local communities have been active and generous in supporting our growing events programme, fundraising campaigns through the Big Give Christmas Challenge and our increased on-site donations.

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Trusts and Foundations continued to play a vital role supporting our work on and off the stage. New in 2022, our new talent development pilot programme, Springboard, has been made possible with committed 3-year funding from the Esmée Fairbairn Foundation and Emmanuel Kaye Foundation.

We acknowledge that the potential for corporate sponsorship has been impacted by the pandemic and economic climate. However, we are grateful to the local businesses who generously support our Community Tickets Programme which helps us offer free tickets to families and young people especially for our panto.

We intend to launch a major fundraising campaign in 2023 to continue to harness and grow the support we are so grateful for to ensure the future of the Lyric.

The Development Director leads a dedicated, permanent fundraising team who are supported by a (volunteer) Development Committee and overseen by our Board. No commercial fundraisers were contracted in 2021-22.

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications of their activities. In February 2021 we updated our Guidelines for Fundraising involving Vulnerable People, and our Ethics, Whistleblowing and Anti-Bribery policies which outline the standards and practices for all Lyric representatives to adhere to. We are a member of the Fundraising regulator and follow the Code of Fundraising Practice. In February 2021 we updated our Terms of Reference for our Development Committee members.

The Board of Trustees are regularly updated on fundraising progress and the Fundraising Policy outlines the process for accepting and soliciting donations to ensure maximising fundraised income in accordance with our policies and the Code of Fundraising Practice. The Development Director and Executive Director have reviewed and monitored all fundraising activity in this financial year against these policies and can report that there has been no negligence. There have been no complaints to date about fundraising at the Lyric.

The Lyric is fully compliant with GDPR legislation in how we use data and communicate with our database. Our Privacy Policy states how we use data in fundraising in order to ensure we are only soliciting gifts from those who are willing and able to support us.

#### **Future plans**

Since April 2022 the Lyric has successfully re-opened after a difficult period; the Covid-enforced closure had a clear financial impact, and impacted our sense of momentum and company unity.. We are focused on our future, building on learnings from the previous financial year and building on our renewed sense of purpose and direction.

We are aware that we still have challenges ahead, with audiences yet to return to the numbers we saw pre-pandemic. *A Doll's House* remains the benchmark for attendance, in our main stage programme and we will build back to – and beyond – that success. We have seen a successful late summer and autumn period both financially and critically with home produced productions of *Closer* and *Iphigenia in Splott*. The current pilot year of our new ground-breaking programme

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Springboard, is proving incredibly successful and we are already seeing how this innovative approach to providing pathways for performers from underrepresented backgrounds will impact the future of theatre. We will begin the recruitment for the second cohort of Springboard in late 2022, with the programme increasing to 20 trainees from January 2023. Our 2022 Panto, *Jack and the Beanstalk*, directed by Lyric Associate Director Nicholai La Barrie, is cast and has begun rehearsals.

New season planning includes several co-productions building our partnerships and networks across the UK. The previously announced new version of *The Good Person of Sezchuan* by Nina Segal and directed by Anthony Lau which we are co-producing with ETT and Sheffield Theatres is an example of this thinking..

We are working with a number of artists to develop new work and ideas to ensure the artistically ambitious future of the Lyric. Forming new partnerships, including research and development for two large-scale productions.

## FINANCIAL REVIEW

### FINANCIAL REVIEW

The group's total expenditure in 2021-22 was £4.9m. This was £2m more than our 2020-21 expenditure as we re-opened the theatre following the closures resulting from the coronavirus pandemic. Our total expenditure on charitable activities of £4.1m was still significantly below our 2019-20 level of £5.5m, reflecting the gradual return of our activities to pre-pandemic levels during 2021-22 and into 2022-23.

Total income for 2021-22 (including £0.7m of Theatre Tax Relief) was £4.2m. The net movement in funds was therefore a deficit of £678k, compared with the previous year's surplus of £744k.

This highlights the decision taken by the Trustees in 2020-21 to designate £565k of unrestricted income received since March 2020 towards the costs of re-opening the theatre and offsetting the low levels of charitable and trading income which were anticipated in the following two years. Of these funds, £365k was expended during 2021-22, with the remaining £200k to be used to support our continued recovery in 2022-23.

### RESERVES

At 31 March 2022 the group held total funds of £10.2m, of which £7.7m are restricted funds represented by the net book value of fixed assets and £0.3m restricted grant income towards activities in 2022-23.

The total unrestricted funds of £2.6m includes £1.9m held as designated funds, comprising: £200k income received towards re-opening the building and resuming normal activities after the pandemic; £490k representing the net book value of fixed assets; and £1.16m held towards specific purposes as detailed in our reserves policy (below). The remaining unrestricted funds of £737k are general funds held as a contingency against unexpected income shortfalls, as per our reserves policy.

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The Trustees Reserves Policy is to hold reserves as follows:

- A Building Capital Reserve to provide funds for essential replacement and renewal of equipment, fixtures and fittings and match funding for larger capital investment in the building in the next one to five years. The Trustees' initial assessment is that this fund should maintain a balance between £0.5m and £1m, and it currently holds £0.7m.
- A Building Emergency Reserve of at least £100k to provide funds for emergency repair and replacement of essential plant and equipment, against which we hold £100k.
- Strategic Reserves of c.£350k to support the development over one to four years of the organisation's artistic programme (£200k), work with young people (£100k), business model (£25k) and environmental sustainability (£25k), against which we hold £350k.
- At least three months of average staff and overhead expenses (in normal operating conditions), currently c.£700k, against which we hold £737k general funds.

Our total reserves requirements are therefore £1.65m - £2.15m, against which we held reserves of £1.90m (including general funds) at 31 March 2022.

From time to time the Trustees may designate additional funds to provide for investment in particular areas of strategic importance. In reviewing the required level of reserves the Trustees took account of the ongoing impact of the coronavirus pandemic and designated £565k in 2021-22 towards re-opening the building and resuming normal activities over the following two years. As outlined above, £365k of these funds were expended during 2021-22, with the remaining £200k to be used to support our continued recovery in 2022-23.

For more detailed analysis of our reserves see Notes 15-17 of the Financial Statements.

## **RISK MANAGEMENT**

The company has a risk management strategy which including a Risk Register and a Crisis Management and Disaster Recovery Plan. The Register assesses the major risks faced by the company, and an outline of strategies to mitigate each risk and reduce its impact. The Register is reviewed by the Finance & Resources Committee and specific risks brought to the attention of the Board.

The most significant risks that the company currently faces are:

### **Risks around economic instability and generation of earned income**

The potential for economic instability and recession following Brexit, the coronavirus pandemic and the increased costs of energy have resulted in an increasingly challenging funding climate and a reduction in audiences' and businesses' spending power. We aim to mitigate this risk by maintaining strategic reserves which can be used to support ongoing work or new initiatives which we believe will be of benefit to our beneficiaries but which would not be viable without additional funding.

### **Risk of the impact of the coronavirus pandemic on our operations**

Although all businesses were significantly affected by the coronavirus pandemic, theatres are particularly at risk due to the nature of the live performance experience and the necessity of those involved being physically present and in close proximity. We aim to mitigate this risk by having a range of options in place to minimise the number of performances which might need to be cancelled in the event of sickness amongst the company.

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### For the year ended 31 March 2022

#### Risks around income targets

As a publicly-funded theatre committed to the production and presentation of new and innovative work we face an inherent risk in the potential failure to reach box office targets. To manage this risk, we set realistic targets and reforecast annual budgets to take account of shows which under- or over-perform against these targets. We aim for a balanced programme and seek opportunities to maximise revenue wherever possible when a show is successful.

Prior to the pandemic we raised an increasingly significant amount of our total income from trusts, companies and individual donations, and from our commercial activity. We set realistic targets which are regularly monitored against confirmed income and we reforecast according to our performance in this area.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

The group consists of the Lyric Theatre Hammersmith charity and two wholly-owned subsidiaries: Lyric Hammersmith Enterprises Limited and Lyric Hammersmith Worldwide Limited.

The charity is a Company Limited by Guarantee, the Trustees of the charity being the Directors of the Company, governed by its Memorandum and Articles of Association.

#### Board of Trustees

The Articles of Association require that the Board comprise between ten and sixteen members as follows:

- up to four persons nominated by the London Borough of Hammersmith and Fulham who hold current office as Councillors of the Borough
- up to eight persons who in the opinion of the Directors are specially qualified for such office by virtue of their particular expertise or experience in the promotion or encouragement of the lively arts and or theatre management, of which up to four persons the Directors will endeavour to nominate from the local community; and
- up to four persons who in the opinion of the Directors are specially qualified for such office by virtue of their particular involvement engagement or employment in or with the community or voluntary sectors or other local organisation or group within the Borough.

Board Members are required to retire at the first Annual General Meeting after the third anniversary of their appointment. Board Members may be re-appointed unless they have served for more than six consecutive years (except by Special Resolution).

The Trustees who have served since 1 April 2021 are:

Lisa Burger (Chair) *(to 20 January 2022)*  
Lorraine Heggessey (Chair) *(from 10 February 2022)*  
David Sharkey (Deputy Chair)  
Rondette Amoy Smith *(from 6 September 2021)*  
Councillor Emma Apthorp *(from 25 May 2022)*  
Councillor Jonathan Caleb-Landy *(to 6 May 2022)*  
Lameya Chaudhury *(from 6 September 2021)*  
Liz Elston Mayhew  
Councillor Sue Fennimore *(to 6 May 2022)*

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David Grieg  
Farah Karim-Cooper (*from 6 September 2021*)  
Councillor Bora Kwon  
Kamran Mallick  
Julie Molloy  
Councillor Patricia Quigley (*to 25 May 2022*)  
Derek Richards (*from 25 October 2021*)  
Councillor Nikos Souslous (*from 25 May 2022*)  
Councillor Nicole Trehay (*from 25 May 2022*)

Observers may also attend Board meetings, subject to the approval of the Board, as representatives of the London Borough of Hammersmith & Fulham, Arts Council England, and the company's employees.

The Board met six times during the year in order to oversee the direction of the company, the day to day management of which is delegated to the Executive Team (comprising the Artistic Director and Executive Director) within terms agreed by the Board.

The Trustees are exceptionally grateful to Lisa Burger, whose term as Chair of the Board came to an end in January 2022.

#### **Recruitment, induction and training of Trustees**

The Nominations Committee (see below) oversees the recruitment, induction and training of Trustees.

In 2021 the Committee worked with BAME Recruitment to identify four new Trustees through a process of open advertisements and interviews in order to maintain a broad range of skills reflecting the various different aspects of the charity's work and business needs and to ensure that appointments reflected contemporary society and the theatre's local community.

The Committee also worked with Green Park to identify a new Chair through a similar process of open advertisements and interviews, and were delighted to recommend the appointment in February 2022 of Lorraine Heggessey.

All new Trustees are provided with an induction pack and ongoing training is provided by inviting Trustees to attend relevant courses.

#### **Committees**

A Finance & Resources Committee, comprising the Chair of the Board and at least two other Board members, reports to the Board. It meets prior to Board meetings in order to oversee the company's finances, building and HR matters. The members of the Committee during 2021-22 were:

David Sharkey (Chair)  
Lisa Burger  
Lorraine Heggessey  
Julie Molloy

A Nominations Committee, comprising at least three Board members, makes recommendations to the Board regarding the structure, size and composition of the Board, and to plan for the

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recruitment, appointment, induction and succession of Board members. The members of the Committee during 2021-22 were:

David Sharkey (Chair)  
Lisa Burger  
Lameya Chaudhury  
Liz Elston Mayhew  
Julie Molloy  
Councillor Bora Kwon

**Related parties**

The Lyric Theatre Hammersmith's core funders are Arts Council England and the London Borough of Hammersmith and Fulham, who provide funding to enable the company to carry out its charitable activities.

The London Borough of Hammersmith and Fulham is also the theatre's landlord. The freehold of the Lyric is owned by Ingka, who lease it to the Borough on a 999 year term. A new 125 year lease was signed in November 2018, which was drawn up as part of the Agreement to develop the site with the freeholder and the theatre's landlord.

The Lyric Theatre Hammersmith has two wholly-owned subsidiaries:

- Lyric Hammersmith Enterprises Limited, which was established to operate the events, bar and catering facilities of the theatre. The profits of the subsidiary are donated to the Lyric.
- Lyric Hammersmith Worldwide Limited, which was originally established for the transfer of Lyric productions to the West End and any commercial exploitation of work and is now used as the vehicle to produce all Lyric productions and co-productions, maximising the benefit of theatre production tax relief. Any profits of the subsidiary are donated to the Lyric.

**Remuneration Policy**

The Board of Trustees do not receive any remuneration.

Remuneration for the Executive Team is considered by the Chair and Deputy Chair, and for other key management personnel is set with reference to benchmarking of pay and benefits for similar subsidised organisations. Annual pay increments are considered by the Finance & Resources Committee as part of its regular monitoring of budgets and approved by the Board.

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also directors of Lyric Theatre Hammersmith Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic 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 which 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**AUDIT INFORMATION**

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

**APPROVAL**

The Trustees' Annual Report was approved by the Board of Trustees (in their capacity as Company Directors) on 14 December 2022.



David Sharkey, Director

**Lyric Theatre Hammersmith Limited (The)  
Independent Auditor's Report to the Members  
For the year ended 31 March 2022**

## Opinion

We have audited the financial statements of Lyric Theatre Hammersmith Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash flow statement and the 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 affairs of the group and the parent charitable company as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information

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**Independent Auditor's Report to the Members**  
**For the year ended 31 March 2022**

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.

**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' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report which includes the Directors' Report and the Strategic 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 the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and Strategic Report.

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

- adequate 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, 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 the 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 the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the

**Lyric Theatre Hammersmith Limited (The)**  
**Independent Auditor's Report to the Members**  
**For the year ended 31 March 2022**

trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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

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

**Identifying and assessing risks related to irregularities:**

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sectors in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

**Audit response to risks identified:**

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and

**Lyric Theatre Hammersmith Limited (The)**  
**Independent Auditor's Report to the Members**  
**For the year ended 31 March 2022**

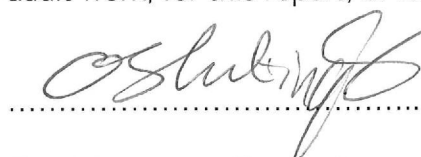
regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Cara Turtington (Senior Statutory Auditor)  
for and on behalf of Saffery Champness LLP

Chartered Accountants  
Statutory Auditors

71 Queen Victoria Street  
London  
EC4V 4BE

Date: 16 December 2022

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**Lyric Theatre Hammersmith Limited (The)**  
**Consolidated Statement of Financial Activities**  
**(Incorporating an Income and Expenditure Account)**  
**For the year ended 31 March 2022**

	Note	General Funds £	Designated Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
<b>Income from:</b>						
Donations	3(a)	115,774	-	-	115,774	206,298
Charitable activities						
Theatre & Young						
People's Activity	2	1,278,159	-	-	1,278,159	118,059
Grants	3(b)	1,405,419	-	662,657	2,068,076	3,193,011
Other trading activities	4	495,475	-	-	495,475	118,133
Interest received		2,247	-	-	2,247	2,135
<b>Total income</b>		<b>3,297,074</b>	<b>-</b>	<b>662,657</b>	<b>3,959,731</b>	<b>3,637,636</b>
<b>Expenditure on:</b>						
Raising funds	6	747,867	-	-	747,867	478,329
Charitable activities	7	2,388,900	544,595	1,209,878	4,143,373	2,421,496
<b>Total expenditure</b>		<b>3,136,767</b>	<b>544,595</b>	<b>1,209,878</b>	<b>4,891,240</b>	<b>2,899,825</b>
<b>Net income/(expenditure)</b>						
before taxation		160,307	(544,595)	(547,221)	(931,509)	737,811
Taxation	9	253,714	-	-	253,714	6,145
Transfers between funds	15,16	(225,164)	225,164	-	-	-
<b>Net movement in funds</b>		<b>188,857</b>	<b>(319,431)</b>	<b>(547,221)</b>	<b>(677,795)</b>	<b>743,956</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		548,435	2,169,747	8,229,693	10,947,875	10,203,919
<b>Total funds carried forward</b>		<b>737,292</b>	<b>1,850,316</b>	<b>7,682,472</b>	<b>10,270,080</b>	<b>10,947,875</b>

These results derive from continuing activities and all gains and losses recognised in the year are included in the above statement.

The notes on pages 20 to 32 form part of the financial statements.

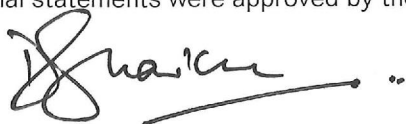
**Lyric Theatre Hammersmith Limited (The)**  
**Registered Company No.1443809**  
**Balance Sheet**  
**For the year ended 31 March 2022**

	Note	2022 £	Group 2021 £	2022 £	Company 2021 £
<b>Fixed assets:</b>					
Tangible fixed assets	11	7,879,435	8,317,552	7,879,435	8,317,552
Investments	12	-	-	3	3
<b>Total fixed assets</b>		<u>7,879,435</u>	<u>8,317,552</u>	<u>7,879,438</u>	<u>8,317,555</u>
<b>Current assets:</b>					
Stock and work in progress		224,385	66,536	211,603	61,876
Debtors	13	491,027	240,977	567,658	517,663
Cash at bank and in hand		2,836,508	2,947,588	2,697,058	2,641,870
<b>Total current assets</b>		<u>3,551,920</u>	<u>3,255,101</u>	<u>3,476,319</u>	<u>3,221,409</u>
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	14	(1,161,274)	(624,778)	(1,085,676)	(591,089)
<b>Net current assets</b>		<u>2,390,646</u>	<u>2,630,323</u>	<u>2,390,643</u>	<u>2,630,320</u>
<b>Total net assets</b>		<u>10,270,081</u>	<u>10,947,875</u>	<u>10,270,081</u>	<u>10,947,875</u>
<b>The funds of the charity:</b>					
Restricted funds	15	7,682,472	8,229,693	7,682,472	8,229,693
<b>Unrestricted funds:</b>					
Designated funds	16	1,850,316	2,169,747	1,850,316	2,169,747
General funds	16	737,292	548,435	737,292	548,435
<b>Total unrestricted funds</b>		<u>2,587,608</u>	<u>2,718,182</u>	<u>2,587,608</u>	<u>2,718,182</u>
<b>Total funds</b>		<u>10,270,080</u>	<u>10,947,875</u>	<u>10,270,080</u>	<u>10,947,875</u>

No separate company Statement of Financial Activities (SoFA) has been prepared by the company, as permitted by Section 408 of the Companies Act 2006. The Charity's net surplus/deficit for the year, excluding restricted funds, was a deficit of £130,574 (2021: surplus of £906,106).

The notes on pages 20 to 32 form part of the financial statements.

The financial statements were approved by the board and authorised for issue and signed on 14 December 2022.



David Sharkey, Director

**Lyric Theatre Hammersmith Limited (The)**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 March 2022**

Consolidated statement of cash flows

	2022 £	2022 £	2021 £	2021 £
Net cash provided by/(used in) operating activities		(25,745)		1,219,030
Cash flows from investing activities:				
Interest received	2,247		2,135	
Purchase of tangible fixed assets	(87,582)		-	
Net cash provided by/(used in) investment activities		(85,335)		2,135
Increase/(decrease) in cash		(111,080)		1,221,165
Opening cash balance at 1 April		2,947,588		1,726,423
Closing cash balance at 31 March		2,836,508		2,947,588

Reconciliation of net income/expenditure to net cash flow from operating activities

	2022 £	2021 £
Net income/(expenditure)	(677,795)	743,956
Adjustments for:		
Depreciation charges	525,699	525,155
Interest received	(2,247)	(2,135)
Increase in stock and work in progress	(157,849)	(22,454)
(Increase)/decrease in debtors	(250,050)	275,360
Increase/(decrease) in creditors	536,497	(300,852)
Net cash provided by/(used in) operating activities	(25,745)	1,219,030

Analysis of changes in cash and changes in net debt

	At 1 April 2021 £	Cash flow £	At 31 March 2022 £
Cash at bank and in hand	2,947,588	(111,080)	2,836,508
	2,947,588	(111,080)	2,836,508

The notes on pages 20 to 32 form part of the financial statements.

# Lyric Theatre Hammersmith Limited (The)

## Notes to the Financial Statements

### For the year ended 31 March 2022

#### 1. Accounting policies

##### Company status

The charity is a company limited by guarantee, registered in England and Wales. The registered office is Lyric Theatre, King Street, Hammersmith, London, W6 0QL. The members of the company have served as directors or are currently serving as directors as named on page 10. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

##### Basis of accounting

The financial statements have been prepared under the historical cost convention. The accounts (financial statements) have been prepared in accordance with the second edition of the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1st January 2019.

The Charity constitutes a public benefit entity as defined by FRS102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

##### Consolidation

The SOFA and Balance Sheet consolidate the financial statements of the charitable company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

##### Going concern

At the time of approving the financial statements the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 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 charitable company and which are not designated for other purposes.

Designated funds comprise unrestricted funds 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 charitable company for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Transfers between funds are made at the discretion of the Board.

##### Income

Income from theatre admission fees is included in incoming resources in the period in which the relevant performance takes place. Where a series of productions straddles the end of the accounting period the income is recognised in the period in which the majority of the performances take place. Income related to productions or lettings in a subsequent period is treated as deferred income.

Income from commercial activities is included in the period in which the activity takes place.

Income from donations and grants, including capital grants, is included in incoming resources when there is entitlement, reasonable certainty of receipt and the amount can be measured with sufficient reliability, unless the donor has specified that the donation or grant relates to a future period or that certain pre-conditions must be fulfilled before use. In these cases amounts received are recognised in the relevant period or when the pre-

# Lyric Theatre Hammersmith Limited (The)

## Notes to the Financial Statements

### For the year ended 31 March 2022

conditions have been met and until then treated as deferred income. Donations and grants for particular purposes are included in incoming resources as restricted funds.

Income from the Coronavirus Job Retention Scheme (CJRS) has been included in incoming resources as a restricted fund, matched against the staff costs it has offset.

Gifts in kind have been realised at cost.

#### Expenditure

Expenditure is recognised when a liability is incurred.

- Costs of raising funds are those costs incurred in attracting donations and those incurred in the operation of trading activities that raise funds.
- Charitable activities include expenditure associated with the operation of the theatre and such directly associated activities as touring and educational programmes. Cost of charitable activities include both the direct cost of activities and related support costs.
- Support costs include central functions and have been allocated to activity costs on a basis consistent with the use of resources. This is on the basis of the relative proportion of direct costs incurred.
- Governance costs are the costs incurred in the governance of the charity and associated constitutional and statutory requirements. These costs are allocated between the charitable activities.

Where performances of a production straddle the balance sheet date, production costs are allocated to the period in which the greater number of performances fall, this matches the allocation of income related to productions.

#### Tangible fixed assets

Individual fixed assets consisting of amounts greater than £2,500 for IT purchases and £5,000 for fixtures, fittings and equipment with a useful life in excess of one year are capitalised at cost. Tangible fixed assets are depreciated over their anticipated useful lives in equal instalments. The periods used are:

Leasehold improvements	28-30 years
Reuben Foundation Wing improvements	20 years
Auditorium, Studio and FOH improvements	15-20 years
Roof Garden	12 years
Fixtures and fittings	5-8 years
Technical and computer equipment	3-8 years

#### Investments

The Statement of Recommended Practice requires investments to be stated at market value. The investments of the Lyric Theatre Hammersmith consist of two subsidiaries, Lyric Hammersmith Enterprises Limited and Lyric Hammersmith Worldwide Limited. Both companies are not quoted and the directors consider it appropriate to include the investments at cost.

#### Financial Instruments

Financial assets are recognised in the Charity's statement of financial position when the Charity becomes party to the contractual provisions of the instrument. The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

# Lyric Theatre Hammersmith Limited (The)

## Notes to the Financial Statements

### For the year ended 31 March 2022

#### Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through the statement of financial activities are measured at fair value.

#### Other financial assets

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

#### Impairment of financial assets

Financial assets, other than those held at fair value through the statement of financial activities, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of financial activities.

#### De-recognition of financial assets

Financial assets are de-recognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

#### Classification of financial liabilities

##### Basic financial liabilities

Basic financial liabilities are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through the statement of financial activities are measured at fair value.

##### Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expenses recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

##### De-recognition of financial liabilities

Financial liabilities are de-recognised when, and only when, the Charity obligations are discharged, cancelled, or they expire.

**Lyric Theatre Hammersmith Limited (The)**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**2. Income from charitable activities**

	2022 £	2021 £
Ticket sales	937,675	16,512
Touring income	-	21,500
Co-production income	145,508	17,144
Royalties income	-	6,589
Front of House sales	42,747	(20)
Income from partners	59,923	29,173
Young People's income	29,660	20,146
Other income	62,646	7,015
	<u>1,278,159</u>	<u>118,059</u>

**3. (a) Income from donations**

	2022 £	2021 £
Total income from donations	<u>115,774</u>	<u>206,298</u>

No income from donations was restricted (2021: none).

**(b) Income from charitable activities: grants**

	2022 £	2021 £
<b>Public funding:</b>		
<i>Core funding:</i>		
Arts Council England – National Portfolio Organisation funding	1,120,240	1,120,240
London Borough of Hammersmith & Fulham – 3 <sup>rd</sup> Sector Investment Funding	230,000	230,000
<i>Coronavirus-related funding:</i>		
Culture Recovery Fund (restricted)	188,680	377,361
Coronavirus Job Retention Scheme (restricted)	98,513	820,840
Restart Grant	18,000	-
Additional Restrictions Grant	20,000	-
Omicron Hospitality and Leisure Grant	6,000	-
Local Restrictions Support Grants	1,179	15,524
Closed Business Lockdown Payment	-	9,000
<i>Project funding:</i>		
Arts Council England – National Lottery Project Grant	49,000	-
British Council – Cultural Exchange Programme	29,890	-
Department for Work and Pensions – Kickstart Scheme	29,840	-

**Trusts & Foundations**

*Restricted grants:*

Young People's Programme activities	257,434	286,056
Theatre productions activities	9,300	193,990
Unrestricted grants	<u>10,000</u>	<u>140,000</u>
Total income from charitable activities: grants	<u>2,068,076</u>	<u>3,193,011</u>

**Lyric Theatre Hammersmith Limited (The)**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

Included in note 3 above are government grants of £230,000 from the London Borough of Hammersmith & Fulham (2021: £230,000), £98,513 from the Coronavirus Job Retention Scheme (2021: £820,840), £18,000 from the Restart Grant (2021: nil), £20,000 from the Additional Restrictions Grant (2021: nil), £6,000 from the Omicron Hospitality and Leisure Grant (2021: nil) and Local Restrictions Support Grants of £1,179 (2021: £15,524).

**4. Income from other trading activities**

	2022	2021
	£	£
Fundraising events	29,135	3,752
Corporate fundraising	65,663	38,057
Commercial trading operations (note 5)	400,677	76,324
	<u>495,475</u>	<u>118,133</u>

**5. Commercial trading operations**

**Lyric Hammersmith Enterprises Limited**

The wholly owned trading subsidiary Lyric Hammersmith Enterprises Limited, incorporated in England and Wales, pays all its profits to the charitable company by Gift Aid. Lyric Hammersmith Enterprises Limited manages catering, hires and events at the Lyric Hammersmith Theatre.

The company owns the entire issued share capital of 2 ordinary shares of £1 each. A Summary of the trading results is shown below.

*Summary profit and loss account:*

	2022	2021
	£	£
Turnover	400,677	76,324
Other operating income	-	88,661
Interest received	74	60
Cost of sales	(69,938)	(8,371)
Administration expenses	(185,961)	(103,109)
Management fees	(144,852)	(53,565)
	<u>-</u>	<u>-</u>
Net profit	-	-
Amount gifted to charity	-	-
	<u>-</u>	<u>-</u>
Profit retained in the subsidiary	-	-

*The assets and liabilities of the subsidiary at 31 March 2022 were:*

Current assets	187,468	347,205
Creditors: amounts falling due within one year	(187,466)	(347,203)
	<u>2</u>	<u>2</u>
Total net assets	2	2
	<u>2</u>	<u>2</u>
Profit and loss account	-	-
Aggregate share capital and reserves	2	2
	<u>2</u>	<u>2</u>
Total funds	2	2

**Lyric Theatre Hammersmith Limited (The)**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**Lyric Hammersmith Worldwide Limited**

The wholly owned trading subsidiary Lyric Hammersmith Worldwide Limited, incorporated in England and Wales provides production services to Lyric Theatre Hammersmith Limited.

The company owns the entire issued share capital of 1 ordinary share of £1. A Summary of the trading results is shown below.

*Summary profit and loss account:*

	2022 £	2021 £
Turnover	1,338,563	32,327
Cost of sales	(1,592,277)	(38,472)
Net profit/(loss)	(253,714)	(6,145)
Taxation	253,714	6,145
Profit retained in the subsidiary	-	-

*The assets and liabilities of the subsidiary at 31 March 2022 were:*

Current assets	259,859	6,145
Creditors: amounts falling due within one year	(259,858)	(6,144)
Total net assets	1	1
Profit and loss account	-	-
Aggregate share capital and reserves	1	1
Total funds	1	1

**6. Expenditure on activities for raising funds**

	2022 £	2021 £
Trading companies staff costs	136,788	93,844
Trading companies other costs	115,561	16,531
Fundraising staff costs	209,687	162,629
Other direct fundraising costs	35,747	3,554
Support costs (note 8)	250,084	201,771
	747,867	478,329

**7. Charitable activities**

	Activities undertaken directly £	Support costs £	Total 2022 £
Theatre productions	2,417,853	1,214,723	3,632,576
Young People's programme	339,988	170,809	510,797
	2,757,841	1,385,532	4,143,373

**Lyric Theatre Hammersmith Limited (The)**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

			<i>Total 2021 £</i>
<i>Theatre productions</i>	1,166,207	850,833	2,017,040
<i>Young People's programme</i>	233,847	170,609	404,456
	<u>1,400,054</u>	<u>1,021,442</u>	<u>2,421,496</u>

**8. Support costs**

	<b>Charitable activities £</b>	<b>Cost of raising funds £</b>	<b>Total 2022 £</b>
Staff costs	216,513	39,080	255,593
Building costs	379,388	68,478	447,866
Administration costs	259,747	46,884	306,631
Depreciation	445,321	80,379	525,700
Irrecoverable VAT on overheads	59,721	10,779	70,500
Governance costs:			
Audit fees	21,741	3,924	25,665
Legal fees	3,101	560	3,661
	<u>1,385,532</u>	<u>250,084</u>	<u>1,635,616</u>

			<i>Total 2021 £</i>
<i>Staff costs</i>	187,784	37,094	224,878
<i>Building costs</i>	164,663	32,527	197,190
<i>Administration costs</i>	205,990	40,690	246,680
<i>Depreciation</i>	438,530	86,625	525,155
<i>Irrecoverable VAT on overheads</i>	8,636	1,706	10,342
Governance costs:			
Audit fees	15,004	2,964	17,968
Legal fees	835	165	1,000
	<u>1,021,442</u>	<u>201,771</u>	<u>1,223,213</u>

Support costs are allocated on the basis of the relative proportion of direct costs incurred.

**9. Taxation**

	<b>2022 £</b>	<b>2021 £</b>
Domestic current year tax		
UK Corporation Tax	(253,714)	(6,145)
	<u>(253,714)</u>	<u>(6,145)</u>

Income from UK Corporation Tax relates to a credit for Theatre Tax Relief.

**Lyric Theatre Hammersmith Limited (The)**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**10. Staff costs and directors' remuneration**

	2022 £	2021 £
Salaries and wages	1,658,571	1,557,683
Employers' National Insurance contributions	146,017	131,657
Employers' pension contributions	38,080	37,385
	<u>1,842,668</u>	<u>1,726,725</u>

These costs are included as follows:

Activities for raising funds	346,475	256,473
Theatre productions	1,049,861	1,044,985
Young People's programme	190,739	200,389
Support costs	255,593	224,878
	<u>1,842,668</u>	<u>1,726,725</u>

The average number of employees during the year was as follows:

	2022	2021
Full time	33	39
Part time and casual	51	43
	<u>84</u>	<u>82</u>

The number of full time equivalent employees was 65 (2021: 53) in the following categories:

Activities for raising funds	9	10
Theatre productions	41	31
Young People's programme	9	6
Support activities	6	6
	<u>65</u>	<u>53</u>

Two employees' total employee benefits fell within the range of £60,001-£70,000 and one within the range of £80,001-£90,000 (2021: one in the range of £70,001-£80,000 and one in the range of £90,001-£100,000).

Key management personnel comprise the Senior Management Team: Artistic Director, Executive Director, Senior Producer, Director of Young Lyric, Director of Communications and Culture, Commercial Director, Director of Development, Director of Finance and Resources and Head of Production. The total employee benefits of the key management personnel were £492,722 (2021: £466,021).

**Lyric Theatre Hammersmith Limited (The)**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**11. Tangible fixed assets**

All assets relate to the charitable company and are used for charitable purposes.

	Leasehold improvements £	Equipment and furniture £	Total £
<b>Cost</b>			
At 1 April 2021	12,808,851	2,170,784	14,979,635
Additions	-	87,582	87,582
At 31 March 2022	12,808,851	2,258,366	15,067,217
<b>Depreciation</b>			
At 1 April 2021	4,609,810	2,052,273	6,662,083
Charge for the year	446,776	78,923	525,699
At 31 March 2022	5,056,586	2,131,196	7,187,782
<b>Net book value</b>			
At 31 March 2022	7,752,265	127,170	7,879,435
At 31 March 2021	8,199,041	118,511	8,317,552

Legal charges exist over the long-term leasehold properties to secure the interests of Arts Council England, which contributed grant funding towards their redevelopment.

**12. Investments**

	Group	Company
	2022 £	2021 £
Investment in subsidiary undertakings	-	3

Investments are included at cost and are unlisted. In the opinion of the directors the market value of the investment is not materially different from the cost.

	Number of shares	% of issued share capital	Cost of shares
Lyric Hammersmith Enterprises Limited (note 5)	2	100%	2
Lyric Hammersmith Worldwide Limited (note 5)	1	100%	1

**13. Debtors**

	Group	Company
	2022 £	2021 £
Trade debtors	120,971	52,315
Subsidiary undertakings	-	-
Other debtors	269,575	24,797
Prepayments	47,410	35,318
Accrued income	53,071	128,547
	491,027	240,977

**Lyric Theatre Hammersmith Limited (The)**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**14. Creditors: amounts falling due within one year**

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	399,547	114,377	387,028	113,890
Taxation and social security	25,022	11,038	5,844	11,038
Other creditors	156,446	37,898	127,755	16,298
Accruals	336,624	286,508	321,414	283,507
Deferred income	243,635	174,957	243,635	166,356
	<u>1,161,274</u>	<u>624,778</u>	<u>1,085,676</u>	<u>591,089</u>

**15. Restricted funds**

		31 March 2021	Net incoming /(outgoing)	Transfers	31 March 2022
		£	£	£	£
Capital grants – extension 2004	(1)	1,008,062	(91,622)	-	916,440
Young People's fund	(2)	77,366	105,556	-	182,922
Capital project 2015	(3)	6,385,790	(286,351)	-	6,099,439
Capital project 2018	(4)	539,385	(55,714)	-	483,671
Restricted activity fund	(5)	219,090	(219,090)	-	-
		<u>8,229,693</u>	<u>(547,221)</u>	<u>-</u>	<u>7,682,472</u>

- (1) The Capital grants – extension 2004 fund relates to the extension built in 2004 and represents fixed assets. The movement on the fund represents depreciation charges.
- (2) The Young People's fund represents income received to support young people's activity and the related expenditure. The balance at 31 March 2021 represents income received toward activities to be undertaken in 2021-22.
- (3) The Capital project 2015 fund represents amounts received for the building of the Reuben Foundation Wing. This fund represents fixed assets and funds allocated to supporting our work with young people. The movement on the fund represents depreciation charges.
- (4) The Capital project 2018 fund relates to the refurbishment of the auditorium and Studio in 2018 and represents fixed assets. The movement on the fund represents depreciation charges.
- (5) The Restricted activity fund represents income received to support specific charitable activities and the related expenditure.

		31 March 2020	Net incoming /(outgoing)	Transfers	31 March 2021
		£	£	£	£
Capital grants – extension 2004	(1)	1,099,684	(91,622)	-	1,008,062
Young People's fund	(2)	-	77,366	-	77,366
Capital project 2015	(3)	6,672,141	(286,351)	-	6,385,790
Capital project 2018	(4)	620,018	(58,158)	(22,475)	539,385
Restricted activity fund	(5)	-	219,090	-	219,090
		<u>8,391,843</u>	<u>(139,675)</u>	<u>(22,475)</u>	<u>8,229,693</u>

**Lyric Theatre Hammersmith Limited (The)**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**16. Unrestricted funds**

		31 March 2021 £	Net incoming /(outgoing) £	Transfers £	31 March 2022 £
<b>Designated funds</b>					
Building emergency reserve	(1)	100,000	-	-	100,000
Building capital reserve	(2)	660,000	(87,582)	137,582	710,000
New building 2015	(3)	474,563	(62,403)	-	412,160
Fixed asset fund	(4)	19,886	(29,610)	87,582	77,858
Programme development fund	(5)	200,000	-	-	200,000
Organisational development fund	(6)	25,001	-	-	25,001
Green fund	(7)	25,000	-	-	25,000
Next generation fund	(8)	100,297	-	-	100,297
Re-opening fund 2021	(9)	565,000	(365,000)	-	200,000
Total designated funds		2,169,747	(544,595)	225,164	1,850,316
<b>Other unrestricted funds</b>					
General funds	(10)	548,435	414,021	(225,164)	737,292
Total unrestricted funds		2,718,182	(103,574)	-	2,587,608

- (1) The Building emergency reserve fund provides funds for emergency repair and replacement of essential plant and equipment.
- (2) The Building capital reserve fund provides funds for the necessary replacement and renewal of equipment, fixtures and fittings and match funding for larger capital investment in the building in the next one to five years. During the year a transfer of £225,164 was made from General funds towards the costs of planned capital investment, and a transfer of £87,582 was made to the Fixed asset fund representing the cost of additions to the charity's fixed assets (see note 11).
- (3) The New building 2015 fund represents the net book value of fixed assets funded from the Building capital reserve fund during the building of the Reuben Foundation Wing. The movement on the fund represents depreciation charges.
- (4) The fixed asset fund represents the net book value of other tangible fixed assets. The movement on the fund represents depreciation charges. During the year a transfer of £87,582 was made from the Building capital reserve fund as detailed above.
- (5) The Programme development fund represents an amount designated by the Trustees to support the future development of the artistic programme. There was no expenditure from the fund during the year due to reduced activity levels in response to the impact of the coronavirus pandemic. The Trustees expect this fund will be fully spent within the three years after the theatre returns to a full programme.
- (6) The Organisational development fund represents an amount that the Trustees have designated to invest in planned organisational development work to support the future growth of the Lyric over the next one to three years. As with the Programme development fund, there was no expenditure during the year due to reduced activity levels.
- (7) The Green fund represents an amount that the Trustees have designated, from savings on utilities, for future investment in projects that support the Lyric's environmental sustainability and work towards carbon net zero. Expenditure from this fund was postponed due to the impact of the coronavirus pandemic, but the Trustees expect to spend this fund within the next two years.
- (8) The Next generation fund represents an individual donation, which has been designated by the Trustees to support our work with young people over the next four years. As with the Programme development fund, there was no expenditure during the year due to reduced activity levels.
- (9) The Re-opening fund 2021 was designated by the Trustees in 2021 to recognise the significant amount of income received toward re-opening the building and resuming normal activities after the coronavirus pandemic. A total of £365,000 was expended from the fund and the balance of £200,000 is expected to be fully spent on charitable activities in 2022-23.
- (10) General funds represent the Charity's free reserves; a total of £225,164 was transferred to designated funds during the year as detailed above.

**Lyric Theatre Hammersmith Limited (The)**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

		31 March 2020 £	Net incoming /(outgoing) £	Transfers £	31 March 2021 £
<i>Designated funds</i>					
Building emergency reserve	(1)	100,000	-	-	100,000
Building capital reserve	(2)	398,802	-	261,198	660,000
New building 2015	(3)	536,967	(62,404)	-	474,563
Roof garden reserve		19,249	(19,249)	-	-
Fixed asset fund	(4)	27,258	(7,372)	-	19,886
Programme development fund	(5)	151,020	-	48,980	200,000
Organisational development fund	(6)	25,001	-	-	25,001
Green fund	(7)	25,000	-	-	25,000
Next generation fund	(8)	100,297	-	-	100,297
Re-opening fund 2021	(9)	-	-	565,000	565,000
<b>Total designated funds</b>		<b>1,383,594</b>	<b>(89,025)</b>	<b>875,178</b>	<b>2,169,747</b>
<i>Other unrestricted funds</i>					
General funds	(10)	428,482	972,656	(852,703)	548,435
<b>Total unrestricted funds</b>		<b>1,812,076</b>	<b>883,631</b>	<b>22,475</b>	<b>2,718,182</b>

**17. Analysis of group net assets between funds**

	Unrestricted funds		Restricted funds	Total 2022
	General funds	Designated funds		
	£	£	£	£
Fixed assets and investments	-	490,018	7,389,417	7,879,435
Current assets	1,898,566	1,360,298	293,055	3,551,919
Creditors	(1,161,274)	-	-	(1,161,274)
	<u>737,292</u>	<u>1,850,316</u>	<u>7,682,472</u>	<u>10,270,080</u>
	Unrestricted funds		Restricted funds	Total 2021
	General funds	Designated funds		
	£	£	£	£
Fixed assets and investments	-	494,449	7,823,103	8,317,552
Current assets	1,173,213	1,675,298	406,590	3,255,101
Creditors	(624,778)	-	-	(624,778)
	<u>548,435</u>	<u>2,169,747</u>	<u>8,229,693</u>	<u>10,947,875</u>

**18. Contingent lease obligations – charity and group**

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
<b>Land and buildings</b>				
One year	40,000	40,000	40,000	40,000
Two to five years	160,000	160,000	160,000	160,000
More than five years	4,600,000	4,640,000	4,600,000	4,640,000
	<u>4,800,000</u>	<u>4,840,000</u>	<u>4,800,000</u>	<u>4,840,000</u>

**Lyric Theatre Hammersmith Limited (The)**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

**19. Related party transactions**

During the year ended 31 March 2022 trustees and persons connected with them received no remuneration (2021: nil) and expenses of £366 (2021: nil).

During the year ended 31 March 2022 trustees and persons connected with them made donations to the Charity totalling £6,799 (2021: £16,483).

At 31 March 2022 the following amounts were owed to the Charity by its subsidiary companies:

- Lyric Hammersmith Enterprises Limited: £111,868 comprising management fees.
- Lyric Hammersmith Worldwide Limited: £259,858 comprising payments for production services.

Transactions between Lyric Theatre Hammersmith and its subsidiaries are detailed in note 5.

**20. Comparative consolidated statement of financial activities for the year ended 31 March 2021**

	Note	General Funds £	Designated Funds £	Restricted Funds £	Total 2020 £
<b>Income from:</b>					
Donations	3(a)	206,298	-	-	206,298
Charitable activities					
Theatre & Young					
People's Activity	2	118,059	-	-	118,059
Grants	3(b)	1,514,764	-	1,678,247	3,193,011
Other trading activities	4	118,133	-	-	118,133
Interest received		2,135	-	-	2,135
<b>Total income</b>		<b>1,959,389</b>	<b>-</b>	<b>1,678,247</b>	<b>3,637,636</b>
<b>Expenditure on:</b>					
Raising funds	6	478,329	-	-	478,329
Charitable activities	7	514,549	89,025	1,817,922	2,421,496
<b>Total expenditure</b>		<b>992,878</b>	<b>89,025</b>	<b>1,817,922</b>	<b>2,899,825</b>
<b>Net income/(expenditure)</b>					
before taxation		966,511	(89,025)	(139,675)	737,811
Taxation	9	6,145	-	-	6,145
Transfers between funds	15,16	(852,703)	875,178	(22,475)	-
<b>Net movement in funds</b>		<b>119,953</b>	<b>786,153</b>	<b>(162,150)</b>	<b>743,956</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		428,482	1,383,594	8,391,843	10,203,919
<b>Total funds carried forward</b>		<b>548,435</b>	<b>2,169,747</b>	<b>8,229,693</b>	<b>10,947,875</b>

**Lyric Theatre Hammersmith Limited (The)**  
**Charity Statement of Financial Activities**  
**(Incorporating an Income and Expenditure Account)**  
**For the year ended 31 March 2022**

For Trustees' information only

	Note	Unrestricted Funds £	Restricted Funds £	Total 2022 £
<b>Income from:</b>				
Donations		115,774	-	115,774
Charitable activities				
Theatre & Young				
People's Activity		1,531,873	-	1,531,873
Grants		1,405,419	662,657	2,068,076
Other trading activities		239,650	-	239,650
Interest received		2,173	-	2,173
<b>Total income</b>		<b>3,288,255</b>	<b>662,657</b>	<b>3,950,912</b>
<b>Expenditure on:</b>				
Raising funds		491,968	-	491,968
Charitable activities		2,933,495	1,209,878	4,143,373
<b>Total expenditure</b>		<b>3,425,463</b>	<b>1,209,878</b>	<b>4,635,341</b>
<b>Net income/(expenditure) before transfers</b>		<b>(130,574)</b>	<b>(547,221)</b>	<b>(677,795)</b>
Transfers between funds		-	-	-
<b>Net movement in funds</b>		<b>(130,574)</b>	<b>(547,221)</b>	<b>(677,795)</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		2,718,182	8,229,693	10,947,875
<b>Total funds carried forward</b>		<b>2,587,608</b>	<b>7,682,472</b>	<b>10,270,080</b>

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