

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 2023

Lyric Theatre Hammersmith Limited (The)
Trustees' Report
For the year ended 31 March 2023

The Trustees of the Lyric Theatre Hammersmith are pleased to present their report together with the financial statements for the year ended 31 March 2023.

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 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.

Mission & strategic objectives

The Lyric Hammersmith Theatre is the civic and creative heart of West London. We believe that everyone deserves to experience the life changing impact of theatre. In our big, beautiful theatre, we tell stories that matter and work with exceptional talent to make ambitious, entertaining, inspiring shows for our audience in West London and beyond. We remove barriers to engagement and ensure young people have the opportunity to discover the power of their creativity, shaping the future of British theatre. We are inclusive, forward looking and unafraid of change.

Key strategic objectives for 2022/23:

These key strategic objectives for the Lyric in 2022/23 were set out in the Lyric's Business Plan and submitted to Arts Council England. All activity for the year was focused on delivering against these objectives, with the overarching objective of delivering against our mission for the purpose of the public's benefit.

1. Work with the UK's leading artists to develop and present world-class theatre from the heart of Hammersmith that speaks to existing and new audiences.

The Lyric is a unique theatre. We combine the audience and artistic experience of performance within an original Frank Matcham designed auditorium with the contemporary atmosphere and modern facilities of our building. This combination of new and old, local and national, allows us to embrace both tradition and innovation, allowing artists the chance to explore and reimagine, and giving our audiences a theatrical experience equivalent to the grandeur of the West End houses.

2. Provide clear and sustainable pathways into the theatre industry for young people from all backgrounds in West London, supporting tomorrow's artists.

The Lyric has a long and successful history in supporting and nurturing the industry's future artists, working closely with young people from all backgrounds from West London. This area of work has continued and flourished, despite our periods of closure due to the pandemic in the last 18 months.

3. Deliver and build on our Commitment to Change Action Plan and further build our work in inclusivity and diversity.

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We have committed to being an actively anti-racist organisation. We are committed to finding new ways to diversify the Lyric and the theatre industry through our work on stage, the way we run the Lyric and our work with young people.

- 4. Provide greater access to our work on stage by making incisive connections to our projects and activity with young people, utilising the impact of excellence to inspire creativity and empower future audiences and theatre makers.**

We know the benefits of creating new clear connections between our work with young people and work on stage. It provides young people with access to excellence, sparks inspiration and helps them to see the pathway and opportunities potentially open to them by seeing professionals at work on stage and backstage.

- 5. Ensure the Lyric is resilient, dynamic and stable to face the challenges of the future without impacting our mission.**

The impact of the pandemic has shown how dynamism is more essential than ever. The Lyric has been at the heart of Hammersmith for over 125 years and has survived many challenges during its history. We will ensure that the theatre can withstand and respond to the challenges and opportunities that the next decade will bring.

- 6. Take the steps to ensure the Arts Council England investment principles are embedded in all our activity**

We are committed to developing and establishing our actions for each investment principle, identifying the work that delivers on these principles and the key areas of development needed alongside the data sources we will use and the people we will consult.

Delivering the strategic objectives: Activities & Achievements

In 2022/23, we produced a balanced programme of productions and projects that engaged the communities in West London. Our aim was to attract audiences back to the same levels as before the pandemic and provide greater access to our artistic programme through Young Lyric projects and activities.

- We welcomed **300,000 people** to the building
- **121,625 audiences** enjoyed a performance, festival or screening, with **26,130 discounted tickets** and **16,604 free tickets**
- Young Lyric and Lyric partnership activity recorded over **20,000 attendances from young people** in West London
- We contracted **280 freelance artists and practitioners** to work across our productions and Young Lyric activity

We saw a slow build of audience attendance through the financial year, returning to pre-pandemic audience level attendance by January 2023.

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Productions and projects in 22/23 included:

- **Scandaltown**, a new play by Mike Bartlett, directed by Rachel O'Riordan
★★★★★ *"Scandaltown is satirically pure genius, and brings the mix of relevance, controversiality and humour, along with the madness that makes for a great night out."*
London Theatre Reviews
- Timberlake Wertenbaker's adaptation of Jean Racine's Roman tragedy **Britannicus** directed by Atri Banerjee.
"Agents and acting scouts should head to Hammersmith, to behold a fine selection of emerging talent" The Daily Mail

In response to *Britannicus*, **76 students** from Chiswick School, Fulham Cross Girls' School, Lady Margaret School, The Green School for Boys and Twickenham School worked with a team of professional directors developed a new performance exploring the story, themes and characters from the production.

'Thank you to the Lyric for the incredible experience you gave our Year 9's over the last few months... The boys will never forget the experience through your belief and nurturing of them' - Teacher, The Green School

- Young Lyric partner and disability-inclusive professional dance company, Amici Dance Theatre Company celebrated their 40th anniversary with **One World: Wealth of the Common People**, bringing together an **80-strong cast**
- A major London revival of Patrick Marber's Olivier Award-winning **Closer** directed by Clare Lizzimore
★★★★★ *"A searingly good revival."* Evening Standard

In response to *Closer*, **10 West London queer theatre makers** aged 18-25, created a movement piece exploring the themes of intimacy, relationships and queer utopia. The project was delivered by Outbox Theatre Company, who specialise in creating spaces for queer people to dream and imagine. It culminated in a performance sharing for over 40 friends and family.

'This project felt like a safe space to explore my identity and meet other queer people! I loved the freedom involved and it was great to return to movement after a long time.' – Participant B

- **The Stories We Tell** – we delivered an international participatory collaboration in South Africa for a collective of young black queer women and genderqueer people from the UK, Kenya and South Africa, exploring the intersection of gender, sexuality, ethnicity and nationality. The project was delivered in partnership between the Lyric, Sibikwa Arts Centre, Johannesburg and The National Youth Theatre of Kenya. We produced a digital archive, which captures the learning and journey of the participants, artists and organisations involved - to be shared sector wide.
- The return of Gary Owen's critically acclaimed **Iphigenia in Splott**, directed by Rachel O'Riordan with Sophie Melville reprising her role as Effie
★★★★★ *"All its components combine to become bigger than the sum of its parts, from*

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Rachel O'Riordan's supremely controlled directorial timing ... a growlingly poetic meditation and a call to arms in one. Magnificent... everyone should see this shattering modern classic. No one will remain unmoved." The Guardian

★★★★★ *"Essential theatre... Liz Truss should see it. Kwasi Kwarteng should see it. And – because it is astonishing, essential theatre – you should see it too... Rarely is theatre so shattering: rarely does it feel so utterly indispensable."* The Stage

- In October 2022, we hosted leading Black British Company **Tiata Fahodzi**, who staged ***Talking About a Revolution*** in the Studio. Three half-hour world premieres from three of the most exciting voices in British theatre were presented – by writers including Diana Nneka Atuona, babirye bukilwa and Malaika Kegode.
- In November 2021, we opened a script submission window. We received a total of **804 scripts** with 767 scripts being eligible for the opportunity. The scripts were read by Liz Daramola (Literary Associate), Kwame Owusu and Alex Hurst (Birkbeck Resident Assistant Directors), and 10 Lyric Young Associates. We identified 4 scripts/writers that we wanted to support with dramaturgy to assist each writer to complete a next draft. We offered writers 3 paid days including: Dramaturgy Day, Writing Day and Workshop day. The end of the engagement was marked by a table read of the play by professional actors and a small invited audience made of industry and Lyric staff. In total we engaged with a total of 19 Artists and 10 Lyric Young Associates.
- ***Jack and the Beanstalk*** by Jude Christian and Sonia Jalaly, directed by Nicholai La Barrie
★★★★★ *"An udderley brilliant panto... the crème de la crème."* The Times
★★★★★ *"...Sumptuously OTT panto has a big heart. This loud, front-foot Jack and the Beanstalk is nine-tenths set piece; a production, by Nicholai La Barrie, machine-tooled for uplift. Who needs interval ice creams? The show is all sugar rush."* The Guardian
- Frantic Assembly's ***Othello*** by William Shakespeare, adapted by Scott Graham and Stephen Hoggett, directed by Scott Graham
★★★★★ *"Frantic Assembly's roughed-up, seized-by-the-scruff-of-its-neck version of Othello keeps shining new lights on Shakespeare's play"* Observer

Alongside Frantic Assembly we worked with **66 young people** across four West London state schools (Fulham Boys School, Lady Margaret's School, Teddington School and Queensmill School) in creating their own work in response to dialogue and characters from *Othello*. The sharing took place in the Main House with over 100 of the participant's friends and family in attendance.

- ***Accidental Death of an Anarchist*** by Dario Fo and Franca Rame in a new adaptation by Tom Basden. Directed by Daniel Raggett. A co-production with Sheffield Theatres.
★★★★★ *"Daniel Rigby as the Maniac brings the dazzlingly funny script roaringly to life"* The Guardian

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- **Springboard**, the Lyric's ground-breaking two-year programme is a major new performance pathway into employment designed specifically to support young people aged 18-25yrs who live in West London, have zero to little formal drama training and are currently underrepresented in theatre. In January 2023, 10 new trainees were enrolled in the two-year programme, joining the second year students, all benefitting from a bursary supporting them while they take part in a wide range of development initiatives including performances, workshops, masterclasses, artist development and opportunities both on and off the stage. Springboard is kindly supported by the Esmée Fairbairn Foundation and The Emmanuel Kaye Foundation who have helped to launch the programme through funding the first three years for 30 trainees.

Director Diyan Zora and playwright Sophie Ellerby created a reimagined version of **Lysistrata** for and with Springboard trainees as their first studio show, with attendance from agents, casting directors and industry representatives. 30% of trainees secured professional representation within their first year of training as a direct result of the production.

- **START and REWIND**, our flagship inclusion projects were delivered through the year. **26 NEET young people** engaged with START over 22/23 with the following post project pathways established:
 - 57% of young people continued to engage with the Lyric's classes
 - 15% of young people entered full time education at university
 - 4% of young people moved onto SPRINGBOARD
 - 50% of young people have entered full or part time employment

20 students engaged with REWIND over 22/23, working in partnership with secondary pupil referral unit Westside School and primary pupil referral unit Ormiston Courtyard Academy. REWIND provided access to theatre for some of the most vulnerable young people in our home borough.

- We delivered over **1,000 creative classes** with our Young Lyric Partners in 22/23 with over **16,000 attendances** from young people in West London. 38 financial bursaries were allocated to young people to attend classes. As of September 2022, 49.4% of our partnership class's delivery team (defined as practitioners, workshop assistants, hosts and visiting artists) were from the Global Majority.

Fundraising

We raise money from a range of sources including grants from trusts and foundations, corporate partnerships, corporate support, individual memberships, major donors, crowdfunding appeals, and special events.

Following our period of closure when we were reliant on, and grateful for, emergency grants and funding as well as our long-term, loyal individual supports, 22/23 has been a year of stabilisation in fundraising. We re-established relationships with stakeholders and ability to fulfil funding agreements and membership benefits.

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All our fundraising activity is delivered in-house by our Development team with the support of a (volunteer) Development Committee and the wider Lyric team. We do not engage a professional fund-raiser or commercial participator. We ensure that our fundraising staff are trained in our fundraising policies and procedures, supported with controls to ensure compliance.

We operate according to an agreed strategy and report back to the Finance and Resources Committee and Trustees at regular Board meetings through the Board member who chairs our Development Committee. Our financial goals in 2022/23 were re-forecast in response to reality of a post-pandemic hiatus in trusts and foundations grants and challenges with recruitment. Nevertheless, new targets were met with the support of long-term and new donors wishing to support our exciting artistic programme as well as new Young Lyric initiatives such as the talent development programme, Springboard.

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications of their activities.

It is possible that our fundraisers may come into contact with vulnerable people. We are especially careful and sensitive when engaging with vulnerable people, and have a Safeguarding Policy, procedures and processes in place to ensure we are doing all we can to protect vulnerable people. Our Guidelines for Fundraising Involving Vulnerable People was updated in January 2022.

We are committed to follow the Code of Fundraising Practice and the Fundraising and voluntarily subscribe to the Fundraising Regulator. We have complied with relevant laws and regulations, including the Proceeds of Crime Act, Data Protection, Tax and Gift Aid legislation, and Charity Commission guidance, as well as our policies, such as Fundraising Policy and Ethics Policies both of which were updated in January 2022. 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

Following our successful Arts Council England NPO application, in collaboration with the Board and senior management team, we are currently setting out the Lyric's strategic vision for the next three years. The strategic vision looks to build on the Lyric's successes in 2023, which has included the West End transfer of *Accidental Death of An Anarchist* and the financially and critically acclaimed run of the UK premiere of *School Girls; or the African Mean Girls*. The vision has four strategic strands:

- **OUR WORK & IDENTITY**
Positioning the Lyric in the UK theatre landscape
- **OUR BUSINESS DEVELOPMENT & SUSTAINABILITY**
Developing and delivering against the Lyric's business model

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- **OUR AUDIENCE & COMMUNITY**
Engaging and growing the Lyric's audience and wider community
- **OUR PEOPLE & CULTURE**
Supporting staff and artists to excel

In 2023/24, we are producing work that is bold, innovative and welcoming, platforming excellent talent with interesting creative collaborations that is programmed for our audience and will inspire young people from West London. Our focus for the year is in ensuring the Lyric is for all with further work in access provision and accessibility to creativity for the community of West London.

The pilot of Springboard will continue, with the introduction of two industry showcases created specifically for trainees to gain more experience of the industry as well as exposure to casting and representation. Productions in 2023/24 include a major revival of *God of Carnage*, written by Yasmina Reza, translated by Christopher Hampton and directed by Lyric Associate Director Nicholai La Barrie. The first visit of the Royal Shakespeare Company to the Lyric Hammersmith Theatre with *The Empress*, written by the Lyric's Artistic Associate Tanika Gupta. A new co-production of *Metamorphosis* with Frantic Assembly, adapted by Lemn Sissay, which will see a continuation of the Young Lyric's partnership with Frantic Assembly with a new School Response Project as part of 'Lyric Learning'. The focus of this creative partnership is cultural inclusion therefore a 50:50 mix of SEND/state schools will be recruited and creative exchange between young people will be fostered and celebrated. 23/24 will conclude with Artistic Director, Rachel O'Riordan's production of Brian Friel's extraordinary play *Faith Healer*.

FINANCIAL REVIEW

FINANCIAL REVIEW

The group's total income for the year was £4,904,577, plus Theatre Tax Relief of £526,939. This was still below our pre-pandemic levels of income (of between £5.0m and £5.8m per year excluding capital grants and tax relief), reflecting the fact that at the start of the 2022-23 season audience numbers had not yet returned to pre-pandemic levels.

Total expenditure in the year was £6,410,178, including £5,169,599 on charitable activities, reflecting a return to pre-pandemic levels of activity.

The net deficit for the year of £978,662 included £529,214 of depreciation (from restricted and designated funds) and £280,667 planned expenditure from designated funds (including the remaining funds of £200,000 from the Re-opening Fund 2021 which had been designated towards supporting the theatre's post-pandemic recovery).

RESERVES

As part of the charity's risk management strategy (see below) the potential financial impact of each risk is assessed and weighted according to its likelihood. The Trustees' reserves policy is to maintain a designated Reserves Fund to cover this overall level of risk. The current requirement, according to this policy, is for the Reserves Fund to hold between £0.9m and £1.5m, against which £1.0m was held at 31 March 2023. This fund was created during the year by amalgamating existing designated funds of £0.4m and transferring £0.6m from General Funds.

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The Trustees have also identified the need to hold a designated Building Renewal Fund for the essential replacement and renewal of equipment, fixtures and fittings over the short term, and for the larger capital expenses which will be required to maintain the Lyric Theatre over the long term. The Trustees' initial assessment is that this fund should maintain a balance of between £0.2m and £0.6m during the next 5 years, with a view to increasing this level over the subsequent decade. £0.6m was held in the Building Renewal Fund at 31 March 2023, and the Trustees therefore expect to make capital expenditure from the fund over the coming period.

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

RISK MANAGEMENT

The company has a risk management strategy which includes an Organisational Risk Register and a Disaster Recovery Plan. The Register assesses the major risks faced by the company, and an outline of actions taken to mitigate each risk. The Register is reviewed quarterly by the Senior Management Team, the Finance & Resources Committee and the Board.

The most significant areas of risk that the company currently faces are:

Box office 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.

Fundraising targets

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.

Building, equipment and facilities maintenance and renewal

Damage or breakdown of essential equipment or infrastructure could have a significant impact on the Lyric's ability to undertake its charitable activities. To manage this risk a schedule of planned preventative maintenance is undertaken; close communication is maintained with our landlord (the London Borough of Hammersmith and Fulham) regarding shared obligations; and a capital plan is in place for renewal and refurbishment in order to maintain the building in a standard befitting its use as a theatre and community hub.

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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 2022 are:

Lorraine Heggessey (Chair)
David Sharkey (Deputy Chair)
Rondette Amoy Smith (*to 9 March 2023*)
Councillor Emma Aphorp (*from 25 May 2022*)
Councillor Jonathan Caleb-Landy (*to 6 May 2022*)
Lameya Chaudhury
Liz Elston Mayhew
Councillor Sue Fennimore (*to 6 May 2022*)
David Grieg
Shivani Jaswal (*from 13 September 2023*)
Farah Karim-Cooper
Councillor Bora Kwon
Oliver Mackwood (*from 13 September 2023*)
Kamran Mallick (*to 9 March 2023*)
Julie Molloy
Councillor Patricia Quigley (*to 25 May 2022*)
Lisa Popham (*from 13 September 2023*)
Derek Richards (*to 6 March 2023*)
Harbinder Singh Birdi (*from 13 September 2023*)
Councillor Nikos Souslous (*from 25 May 2022*)
Councillor Nicole Trehay (*from 25 May 2022*)

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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.

Recruitment, induction and training of Trustees

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

During the year the Committee carried out a skills audit of Trustees and an analysis of the skills required to help the charity's meet its objectives. An open recruitment process was then undertaken to identify new Trustees with desirable skills and experience, leading to the recruitment of four new Trustees in September 2023.

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

Committees

A Finance & Resources Committee, comprising the Chair of the Board, at least two other Board members, and co-opted ex-officio members, reports to the Board. It meets prior to Board meetings in order to oversee the company's finances, building and HR matters. Members of the Committee during 2022-23 were:

David Sharkey (Chair)
Lorraine Heggessey
Bishin Ho
Julie Molloy
Councillor Nikos Souslous

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 recruitment, appointment, induction and succession of Board members. The members of the Committee during 2022-23 were:

David Sharkey (Chair)
Lameya Chaudhury
Lorraine Heggessey
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

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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 Chief Executive/Artistic Director, Executive Director, and Director of Finance & Resources is reviewed and set annually by the Nominations Committee. Other employees' remuneration is set with reference to the Lyric's Pay Policy and annual increases 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 13 December 2023.

Lorraine Heggessey, Director

**Lyric Theatre Hammersmith Limited (The)
Independent Auditor's Report to the Members
For the year ended 31 March 2023**

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 2023 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 2023 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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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 2023

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 2023

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. 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 Turlington (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date:

Saffery 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 2023

	Note	General Funds £	Designated Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income from:						
Donations	3(a)	173,962	-	5,000	178,962	115,774
Charitable activities						
Theatre & Young						
People's Activity	2	2,248,116	-	-	2,248,116	1,278,159
Grants	3(b)	1,374,740	-	221,687	1,596,427	2,068,076
Other trading activities	4	852,187	-	-	852,187	495,475
Interest received		28,885	-	-	28,885	2,247
Total income		4,677,890	-	226,687	4,904,577	3,959,731
Expenditure on:						
Raising funds	6	1,240,579	-	-	1,240,579	747,867
Charitable activities	7	4,128,208	376,195	665,196	5,169,599	4,143,373
Total expenditure		5,368,787	376,195	665,196	6,410,178	4,891,240
Net income/(expenditure) before taxation		(690,897)	(376,195)	(438,509)	(1,505,601)	(931,509)
Taxation	9	526,939	-	-	526,939	253,714
Transfers between funds	15,16	(564,999)	564,999	-	-	-
Net movement in funds		(728,957)	188,804	(438,509)	(978,662)	(677,795)
Reconciliation of funds:						
Total funds brought forward		737,292	1,850,316	7,681,472	10,270,080	10,947,875
Total funds carried forward		8,335	2,039,120	7,243,963	9,291,418	10,270,080

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 21 to 33 form part of the financial statements.

Lyric Theatre Hammersmith Limited (The)
Registered Company No.1443809
Balance Sheet
For the year ended 31 March 2023

	Note	2023 £	Group 2022 £	2023 £	Company 2022 £
Fixed assets:					
Tangible fixed assets	11	7,434,907	7,879,435	7,434,907	7,879,435
Investments	12	-	-	3	3
Total fixed assets		<u>7,434,907</u>	<u>7,879,435</u>	<u>7,434,910</u>	<u>7,879,438</u>
Current assets:					
Stock and work in progress		146,839	224,385	133,268	211,603
Debtors	13	1,121,786	491,027	1,300,512	567,658
Cash at bank and in hand		1,803,613	2,836,508	1,494,487	2,697,058
Total current assets		<u>3,072,238</u>	<u>3,551,920</u>	<u>2,928,267</u>	<u>3,476,319</u>
Liabilities:					
Creditors: Amounts falling due within one year	14	(1,215,727)	(1,161,274)	(1,071,759)	(1,085,676)
Net current assets		<u>1,856,511</u>	<u>2,390,646</u>	<u>1,856,508</u>	<u>2,390,643</u>
Total net assets		<u>9,291,418</u>	<u>10,270,081</u>	<u>9,291,418</u>	<u>10,270,081</u>
The funds of the charity:					
Restricted funds	15	7,243,963	7,682,472	7,243,963	7,682,472
Unrestricted funds:					
Designated funds	16	2,039,120	1,850,316	2,039,120	1,850,316
General funds	16	8,335	737,292	8,335	737,292
Total unrestricted funds		<u>2,047,455</u>	<u>2,587,608</u>	<u>2,047,455</u>	<u>2,587,608</u>
Total funds		<u>9,291,418</u>	<u>10,270,080</u>	<u>9,291,418</u>	<u>10,270,080</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 £540,153 (2022: deficit of £130,574).

The notes on pages 21 to 33 form part of the financial statements.

The financial statements were approved by the board and authorised for issue and signed on 13 December 2023.

Lorraine Heggessey, Director

Lyric Theatre Hammersmith Limited (The)
Consolidated Statement of Cash Flows
For the year ended 31 March 2023

Consolidated statement of cash flows

	2023 £	2023 £	2022 £	2022 £
Net cash provided by/(used in) operating activities		(977,095)		(25,745)
Cash flows from investing activities:				
Interest received	28,885		2,247	
Purchase of tangible fixed assets	(84,685)		(87,582)	
Net cash provided by/(used in) investment activities		(55,800)		(85,335)
Increase/(decrease) in cash		(1,032,895)		(111,080)
Opening cash balance at 1 April		2,836,508		2,947,588
Closing cash balance at 31 March		<u>1,803,613</u>		<u>2,836,508</u>

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

	2023 £	2022 £
Net income/(expenditure)	(978,662)	(677,795)
Adjustments for:		
Depreciation charges	529,213	525,699
Interest received	(28,885)	(2,247)
Increase/(decrease) in stock and work in progress	77,545	(157,849)
Increase in debtors	(630,759)	(250,050)
Increase in creditors	54,453	536,497
Net cash provided by/(used in) operating activities	<u>(977,095)</u>	<u>(25,745)</u>

Analysis of changes in cash and changes in net debt

	At 1 April 2022 £	Cash flow £	At 31 March 2023 £
Cash at bank and in hand	2,836,508	(1,032,895)	1,803,613
	<u>2,836,508</u>	<u>(1,032,895)</u>	<u>1,803,613</u>

The notes on pages 21 to 33 form part of the financial statements.

Lyric Theatre Hammersmith Limited (The)

Notes to the Financial Statements

For the year ended 31 March 2023

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. 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 2023

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 direct costs are allocated to the period in which the performance takes place; royalties and similar costs are apportioned between the periods based on the production's theatre admissions income.

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	4-20 years
Roof Garden	12 years
Fixtures and fittings	3-15 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 2023

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 2023

2. Income from charitable activities

	2023	2022
	£	£
Ticket sales	1,913,983	937,675
Touring income	40,500	-
Co-production income	43,000	145,508
Royalties income	3,000	-
Front of House sales	91,911	42,747
Income from partners	86,058	59,923
Young People's income	41,143	29,660
Other income	28,521	62,646
	<u>2,248,116</u>	<u>1,278,159</u>

3. (a) Income from donations

	2023	2022
	£	£
Total income from donations	<u>178,962</u>	<u>115,774</u>

Included within the total income from donations is £5,000 of restricted income (2022: none).

(b) Income from charitable activities: grants

	2023	2022
	£	£
Public funding:		
<i>Core funding:</i>		
Arts Council England – National Portfolio Organisation funding	1,120,240	1,120,240
London Borough of Hammersmith & Fulham – 3 rd Sector Investment Funding	230,000	230,000
<i>Coronavirus-related funding:</i>		
Culture Recovery Fund (restricted)	-	188,680
Coronavirus Job Retention Scheme (restricted)	-	98,513
Restart Grant	-	18,000
Additional Restrictions Grant	-	20,000
Omicron Hospitality and Leisure Grant	-	6,000
Local Restrictions Support Grants	-	1,179
<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

<i>Restricted grants:</i>		
Young People's Programme activities	198,387	257,434
Theatre productions activities	23,300	9,300
Unrestricted grants	<u>24,500</u>	<u>10,000</u>
Total income from charitable activities: grants	<u>1,596,427</u>	<u>2,068,076</u>

Lyric Theatre Hammersmith Limited (The)
Notes to the Financial Statements
For the year ended 31 March 2023

Included in note 3 above are government grants of £230,000 from the London Borough of Hammersmith & Fulham (2022: £230,000 from the London Borough of Hammersmith and Fulham, £98,513 from the Coronavirus Job Retention Scheme, £18,000 from the Restart Grant, £20,000 from the Additional Restrictions Grant, £6,000 from the Omicron Hospitality and Leisure Grant and Local Restrictions Support Grants of £1,179.

4. Income from other trading activities

	2023	2022
	£	£
Fundraising events	16,840	29,135
Corporate fundraising	58,549	65,663
Commercial trading operations (note 5)	776,798	400,677
	<u>852,187</u>	<u>495,475</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:

	2023	2022
	£	£
Turnover	776,798	400,677
Interest received	1,895	74
Cost of sales	(177,850)	(69,938)
Administration expenses	(463,488)	(185,961)
Management fees	(137,355)	(144,852)
	<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	437,362	187,468
Creditors: amounts falling due within one year	(437,360)	(187,468)
	<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 2023

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:

	2023 £	2022 £
Turnover	1,465,872	1,338,563
Cost of sales	(1,992,811)	(1,592,277)
Net profit/(loss)	(526,939)	(253,714)
Taxation	526,939	253,714
Profit retained in the subsidiary	-	-

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

Current assets	780,653	259,859
Creditors: amounts falling due within one year	(780,652)	(259,858)
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

	2023 £	2022 £
Trading companies staff costs	369,867	136,788
Trading companies other costs	262,596	115,561
Fundraising staff costs	216,167	209,687
Other direct fundraising costs	21,396	35,747
Support costs (note 8)	370,553	250,084
	1,240,579	747,867

7. Charitable activities

	Activities undertaken directly £	Support costs £	Total 2023 £
Theatre productions	3,170,525	1,350,363	4,520,888
Young People's programme	454,945	193,766	648,711
	3,625,470	1,544,129	5,169,599

Lyric Theatre Hammersmith Limited (The)
Notes to the Financial Statements
For the year ended 31 March 2023

			Total 2022 £
<i>Theatre productions</i>	2,417,853	1,214,723	3,632,576
<i>Young People's programme</i>	339,988	170,809	510,797
	<u>2,757,841</u>	<u>1,385,532</u>	<u>4,143,373</u>

8. Support costs

	Charitable activities £	Cost of raising funds £	Total 2023 £
Staff costs	249,767	59,938	309,705
Building costs	452,631	108,621	561,252
Administration costs	297,969	71,505	369,474
Depreciation	426,794	102,420	529,214
Irrecoverable VAT on overheads	87,818	21,074	108,892
Governance costs:			
Audit fees	29,029	6,966	35,995
Legal fees	121	29	150
	<u>1,544,129</u>	<u>370,553</u>	<u>1,914,682</u>

			Total 2022 £
<i>Staff costs</i>	216,513	39,080	255,593
<i>Building costs</i>	379,388	68,478	447,866
<i>Administration costs</i>	259,747	46,884	306,631
<i>Depreciation</i>	445,321	80,379	525,700
<i>Irrecoverable VAT on overheads</i>	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>

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

9. Taxation

	2023 £	2022 £
Domestic current year tax		
UK Corporation Tax	(526,939)	(253,714)
	<u>(526,939)</u>	<u>(253,714)</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 2023

10. Staff costs and directors' remuneration

	2023	2022
	£	£
Salaries and wages	2,090,994	1,658,571
Employers' National Insurance contributions	194,767	146,017
Employers' pension contributions	48,341	38,080
	<u>2,334,102</u>	<u>1,842,668</u>

These costs are included as follows:

Activities for raising funds	586,034	346,475
Theatre productions	1,231,794	1,049,861
Young People's programme	206,569	190,739
Support costs	309,705	255,593
	<u>2,334,102</u>	<u>1,842,668</u>

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

	2023	2022
Full time	42	33
Part time and casual	52	51
	<u>94</u>	<u>84</u>

The number of full time equivalent employees was 79 (2022: 65) in the following categories:

Activities for raising funds	16	9
Theatre productions	50	41
Young People's programme	7	9
Support activities	6	6
	<u>79</u>	<u>65</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 (2022: two in the range of £60,001-£70,000 and one in the range of £80,001-£90,000).

Key management personnel comprise the Senior Management Team of 10 employees (2022: 9 employees): Artistic Director / Chief Executive, Executive Director, Associate Director, Commercial Director, Director of Communications and Sales, Director of Development, Director of Finance and Resources, Director of Young Lyric, Head of Production and Senior Producer.

The total employee benefits of the key management personnel were £578,150, including benefits relating to statutory parental leave (2022: £492,722).

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11. Tangible fixed assets

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

	Leasehold improvements £	Equipment and furniture £	Total £
Cost			
At 1 April 2022	12,808,851	2,258,366	15,067,217
Additions	60,980	23,705	84,685
At 31 March 2023	12,869,831	2,282,071	15,151,902
Depreciation			
At 1 April 2022	5,056,586	2,131,196	7,187,782
Charge for the year	449,825	79,388	529,213
At 31 March 2023	5,506,411	2,210,584	7,716,995
Net book value			
At 31 March 2023	7,363,420	71,487	7,434,907
At 31 March 2022	7,752,265	127,170	7,879,435

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

	2023 £	Group 2022 £	2023 £	Company 2022 £
Investment in subsidiary undertakings	-	-	3	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

	2023 £	Group 2022 £	2023 £	Company 2022 £
Trade debtors	156,249	120,971	47,611	88,058
Subsidiary undertakings	-	-	1,073,695	371,727
Other debtors	857,466	269,575	76,812	9,715
Prepayments	57,479	47,410	51,802	45,087
Accrued income	50,592	53,071	50,592	53,071
	1,121,786	491,027	1,300,512	567,658

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14. Creditors: amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	345,426	399,547	332,771	387,028
Taxation and social security	52,754	25,022	11,974	5,844
Other creditors	101,882	156,446	65,102	127,755
Accruals	370,953	336,624	317,200	321,414
Deferred income	344,712	243,635	344,712	243,635
	<u>1,215,727</u>	<u>1,161,274</u>	<u>1,071,759</u>	<u>1,085,676</u>

15. Restricted funds

		31 March	Net incoming		31 March
		2022	/(outgoing)	Transfers	2023
		£	£	£	£
Capital grants – extension 2004	(1)	916,440	(91,622)	-	824,818
Young People's fund	(2)	182,922	(27,222)	-	155,700
Capital project 2015	(3)	6,099,439	(286,351)	-	5,813,088
Capital project 2018	(4)	483,671	(55,714)	-	427,957
Restricted activity fund	(5)	-	22,400	-	22,400
		<u>7,682,472</u>	<u>(438,509)</u>	<u>-</u>	<u>7,243,963</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 2023 represents income received toward activities to be undertaken in 2023-24.
- (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. The balance at 31 March 2023 represents income received towards activities to be undertaken in 2023-24.

		31 March	Net incoming		31 March
		2021	/(outgoing)	Transfers	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>

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16. Unrestricted funds

		31 March 2022 £	Incoming £	Outgoing £	Transfers £	31 March 2023 £
Designated funds						
New Building 2015 Fund	(1)	412,160	-	(65,452)	(346,708)	-
Fixed Asset Fund	(2)	77,858	-	(30,076)	431,393	479,175
Building Capital Reserve Fund /						
Building Renewal Fund	(3)	710,000	-	(30,370)	(84,685)	594,945
Re-opening Fund 2021	(4)	200,000	-	(200,000)	-	-
Building Emergency Reserve Fund	(5)	100,000	-	-	(100,000)	-
Programme Development Fund	(6)	200,000	-	(25,000)	(175,000)	-
Organisational Development Fund	(7)	25,001	-	-	(25,001)	-
Green Fund	(8)	25,000	-	-	(25,000)	-
Next Generation Fund	(9)	100,297	-	(25,297)	(75,000)	-
Reserves Fund	(10)	-	-	-	965,000	965,000
Total designated funds		1,850,316	-	(376,195)	564,999	2,039,120
Other unrestricted funds						
General funds	(11)	737,292	5,204,829	(5,368,787)	(564,999)	8,335
Total unrestricted funds		2,587,608	5,204,829	(5,744,982)	-	2,047,455

- (1) The New Building 2015 Fund represented 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 and at 31 March 2023 the assets have been transferred to the Fixed Asset Fund (see below).
- (2) The Fixed Asset Fund represents the net book value of tangible fixed assets. The movement on the fund represents depreciation charges and during the year £84,685 was transferred into the fund from the Building Renewal Fund, representing the cost of additions to the charity's fixed assets (see note 11).
- (3) The Building Capital Reserve Fund has been renamed as the Building Renewal Fund. It provides funds for the essential replacement and renewal of equipment, fixtures and fittings over the short term, and for the larger capital expenses which will be required to maintain the Lyric Theatre over the long term. During the year £30,370 was expended on non-capitalised renewal of fixtures and fittings and a transfer of £84,685 was made to the Fixed Asset Fund (see above).
- (4) 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 £200,000 was expended from the fund on charitable activities in 2022-23.
- (5) The Building Emergency Reserve Fund was designated to provide funds for emergency repair and replacement of essential plant and equipment. During the year these funds have been transferred to the amalgamated Reserves Fund (see below).
- (6) The Programme Development Fund was designated by the Trustees to support the future development of the artistic programme. During the year £25,000 was expended from the fund on the theatre programme and the remaining funds were transferred to the amalgamated Reserves Fund (see below).
- (7) The Organisational Development Fund represents an amount that the Trustees previously designated to invest in planned organisational development work to support the future growth of the Lyric. During the year these funds have been transferred to the amalgamated Reserves Fund (see below).
- (8) The Green Fund represents an amount that the Trustees previously designated, from savings on utilities, for future investment in projects that support the Lyric's environmental sustainability and work towards carbon net zero. During the year these funds have been transferred to the amalgamated Reserves Fund (see below).
- (9) The Next Generation Fund represents an individual donation made in 2016-17 which had initially been designated by the Trustees to support our work with young people between 2017 and 2021 but from which had no funds had been expended. During the year £25,297 was expended from the fund on the

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Young People's programme and the remaining funds were transferred to the amalgamated Reserves Fund (see below).

- (10) The Reserves Fund represents the amalgamation of the former Building Emergency Reserve Fund, Programme Development Fund, Organisational Development Fund, Green Fund and Next Generation Fund, along with a transfer of £564,999 from general funds. This fund has been designated by the Trustees to cover the level of financial risk inherent in the charity's operations, as identified in the risk management strategy (see page 9).
- (11) General funds represent the Charity's free reserves. During the year a transfer of £564,999 was made to the designated Reserve Fund (see above).

		31 March 2021 £	Net incoming /(outgoing) £	Transfers £	31 March 2022 £
Designated funds					
New Building 2015 Fund	(1)	474,563	(62,403)	-	412,160
Fixed Asset Fund	(2)	19,886	(29,610)	87,582	77,858
Building Capital Reserve Fund	(3)	660,000	(87,582)	137,582	710,000
Re-opening Fund 2021	(4)	565,000	(365,000)	-	200,000
Building Emergency Reserve Fund	(5)	100,000	-	-	100,000
Programme Development Fund	(6)	200,000	-	-	200,000
Organisational Development Fund	(7)	25,001	-	-	25,001
Green Fund	(8)	25,000	-	-	25,000
Next Generation Fund	(9)	100,297	-	-	100,297
Total designated funds		2,169,747	(544,595)	225,164	1,850,316
Other unrestricted funds					
General funds	(11)	548,435	414,021	(225,164)	737,292
Total unrestricted funds		2,718,182	(103,574)	-	2,587,608

17. Analysis of group net assets between funds

	Unrestricted funds		Restricted funds	Total 2023
	General funds	Designated funds		
	£	£	£	£
Fixed assets and investments	-	479,177	6,955,730	7,434,907
Current assets	1,224,062	1,559,943	288,233	3,072,238
Creditors	(1,215,727)	-	-	(1,215,727)
	8,335	2,039,120	7,243,963	9,291,418

	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)
	737,292	1,850,316	7,682,472	10,270,080

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18. Lease obligations – charity and group

The total of future minimum lease payments under the charity's non-cancellable 125 year operating lease for the Lyric Theatre is as follows:

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Land and buildings				
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	4,560,000	4,600,000	4,560,000	4,600,000
	<u>4,760,000</u>	<u>4,840,000</u>	<u>4,760,000</u>	<u>4,840,000</u>

19. Related party transactions

During the year ended 31 March 2023 trustees and persons connected with them received no remuneration (2022: nil) and expenses of £545 (2022: £366).

During the year ended 31 March 2023 trustees and persons connected with them made donations to the Charity totalling £10,553 (2022: £6,799).

At 31 March 2023 the following amounts were owed to the Charity by its subsidiary companies:

- Lyric Hammersmith Enterprises Limited: £293,392 comprising management fees.
- Lyric Hammersmith Worldwide Limited: £780,652 comprising payments for production services.

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

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20. Comparative consolidated statement of financial activities for the year ended 31 March 2022

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