

Donmar Warehouse Projects Limited

Trustees' Report and Financial Statements

Year Ended

31 March 2021

Company Number 01611861

Charity Number 284262

Donmar Warehouse Projects Limited

Contents and company information for the year ended 31 March 2021

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Trustees

S Boster

S Bressler (appointed 7 April 2020)

S Dingemans

W Eccleshare

A Kenwright (Chair) (appointed 3 December 2020)

T Lee (appointed 7 April 2020)

G Lemos (appointed 7 April 2020)

M Longhurst

The Lady Lowy Mitchell

T Ross [Scantlebury] (appointed 7 April 2020)

A Romeo (appointed 16 April 2020)

J Sarpong (appointed 7 April 2020)

J Smith

L Msamati

The Lord Browne of Madingley (retired 03 December 2020)

Honorary Life President: R Wingate

Registered office

3 Dryden Street, London, WC2E 9NA

Company number

01611861

Charity number

284262

Bankers

Coutts & Co., 440 Strand, London, WC2R 0QS

Auditor

BDO LLP, 55 Baker Street, London, W1U 7EU

Senior Management

Michael Longhurst, Artistic Director

Henrietta Finch, Executive Director

Donmar Warehouse Projects Limited

Trustees' report for the year ended 31 March 2021

The Directors (who are also the Trustees of the charity) present their report and financial statements for the year ended 31 March 2021.

The company is a registered charity, (registered number 284262) and company limited by guarantee (registered number 01611861). The company is incorporated under the Companies Act 2006 and is governed by its Articles and Memorandum of Association dated 05 February 1982 as amended 4 July 2016.

Principal activities

The objects of the charity are to promote, maintain, improve and advance education particularly by the encouragement of the Arts including the arts of drama, ballet, music, singing, literature, sculpture and painting. The company meets these through continuing to produce and present theatrical productions at the Donmar Warehouse Theatre.

Donmar Warehouse Projects Limited has three wholly owned subsidiaries (further details are given in Note 15 of the financial statements). The results of Donmar Productions Limited are consolidated into these financial statements. The results of Donmar in the West End Limited and Donmar Films Limited have not been consolidated on the grounds that their results are not material to the group. Donmar Productions Limited receives income from commercial trading contracts and its taxable surplus is paid by gift aid to Donmar Warehouse Projects Limited. Donmar Warehouse Projects Limited is the rights holder for the productions but commissions its theatrical pieces to Donmar Productions Limited, which acts as a production company.

Strategic report

The sections below constitute the Strategic Report for the purposes of the Companies Act 2006.

2020/21 at the Donmar

Our mission

Our strategic goals

Financial Viability

Reserves policy and Risk management

Public Benefit

Future Plans

2020/21 at the Donmar

2020/21 was a year of profound upheaval for the Donmar. The Coronavirus pandemic kept the theatre closed to the public for the majority of the financial year, aside from 8 weeks during July and August 2020 when we made 'stage history' (New York Times) by becoming the first theatre in London to reopen our doors with our socially distanced sound installation Blindness. This was accompanied by other creative work delivered online, and a renewed commitment to our work with schools and communities at a time when they needed our support more than ever. In September 2020, we began work on a major capital refurbishment of the theatre which is due to be completed in August 2021. Alongside this, we restructured our business model, terminating a longstanding service agreement with Ambassador Theatre Group for the operation of the theatre in September 2020, and refreshed our creative and business strategy for the longer-term. While our results for the 2020/21 year show a net income of £2.7m, £2.4m of this was due to one off capital works fundraising. Due to the impact of Covid, Production income was down 85%, fundraising income (excluding the capital works fundraising) was down 34% and trading income down 41%. This was offset by a reduction in costs of 50% on prior year, mainly due to limited Production costs, a reduction in staff costs due to redundancies and delayed new starters and other cost savings. As we move into 2021/22, there remain significant challenges ahead for ourselves and the arts sector more widely; we anticipate ongoing anxiety among audiences, our sector's freelance workforce have been depleted by the crisis, and we know there will be increased pressure on funders both public and private. Given the ongoing uncertainty, future plans in this report may change during the year.

Donmar Warehouse Projects Limited

Trustees' report for the year ended 31 March 2021 (*continued*)

Our Mission

The Donmar is the home of legendary performance, experienced up close.

In our converted Covent Garden warehouse, a site of astonishing artistic accomplishment, never more than four rows away from an actor, we gather to experience world class artists and rising stars, creating thrilling, unmissable theatre.

We rehearse life, imagine the future and exalt in the capacity for stories to effect change. We celebrate the power of live performance and visionary artistry to challenge, entertain, move and inspire us.

We know that theatre enriches our society, through empathy, imagination and community. We share our work far and wide to achieve this and maximise the impact of our artists' ideas.

At the Donmar:

1. **We invite leading artists to make work that helps us grapple with big ideas and process big emotions.** We use theatre to understand how the world is, and imagine how it might be. Our work is ambitious, relevant and diverse: a balanced mix of new plays, musicals and reimagined classics, told with theatrical flair and an open heart. We harness the power of star actors and leading directors alongside the best upcoming talent to create work at the forefront of what theatre is, leading the cultural conversation. Unique, inclusive and unforgettable experiences: We make the stuff of legend, today.
2. **We grow diverse talent** and skills for ourselves and the sector, in both creative and practical roles.
3. **We build a younger, more diverse audience** alongside our loyal customer base, and foster a life-long connection to the arts in our local community

Our strategic goals for 2021-25 are as follows:

- Make inclusive, relevant, world-class work that thrills audiences
- Create a new skills development programme, based on our belief that talent isn't born, but nurtured and empowered through opportunity, investment and exposure
- Broaden and diversify audiences and workforce
- Play an active role in our community, because engagement with theatre enriches a life and our society
- Commit to sustainable working practices
- Maintain financial stability

Donmar Warehouse Projects Limited

Trustees' report for the year ended 31 March 2021 (*continued*)

In 2020-21, we delivered against these goals in the following ways:

1. Make inclusive, relevant, world-class work that thrills audiences

Despite the huge ongoing challenges of the pandemic, we have delivered significant and impactful work for audiences that has also allowed us to continue employing the majority of our team and a pool of freelancers.

Midnight Your Time

In immediate response to the closure of theatre in March 2020 we created *Midnight Your Time*, an online play by Adam Brace starring Diana Quick which used the form of video calling to tell the story of a woman's estranged relationship with her daughter, playing on the huge growth in use of platforms such as Zoom. The piece was created to be directly in response to the experience of many audiences during this time, as well as being simple and cost effective experiment in the creation of online theatre. It received 30,000 views.

Blindness

In summer 2020 we produced *Blindness*, a socially distanced sound installation which used binaural sound technology to present an adaptation of Jose Saramago's dystopian novel about a pandemic of blindness. Adapted by Simon Stephens and performed by Juliet Stevenson, it featured direction by Walter Meierjohann, design by Lizzie Clachan, lighting by Jessica Hung Han Yun and sound design by Ben and Max Ringham. We also worked with Professor Hannah Thompson to create a podcast named *Reclaiming Blindness*, which discussed and challenged some of the potentially problematic elements of the source material, and created captioned and audio described versions of the play which could be experienced at home for those unable or unwilling to travel into central London, as well as making these features available at every performance. It was an audience and critical success, with its initial sold-out run extended by two weeks and the New York Times stating that the Donmar 'made stage history' as the first theatre to reopen to in person audiences after lockdown. In addition, the Donmar forged new ground in creating protocols to welcome audiences and artists, with many visitors commenting on how safe and controlled they felt the experience to be. Following the initial run there was huge demand in touring the production and during the 2020-21 year productions appeared in Amsterdam, New York and Mexico, with further productions in 2021-22 in Toronto, Washington, Auckland, Hong Kong and Galway, as well as a UK tour visiting 7 venues nationwide.

Adult Children

The Donmar used the opportunity of lockdown to extend its digital theatre making capabilities. Working with technologists ScanLab and Associate Sacha Wares, and in co-production with English Touring Theatre, we created a short online piece designed to be viewed on smartphones/tablets and via headsets. The play, by Ella Hickson, examined the psychological impacts of lockdown and isolation on two women. The piece has been accepted as part of the BFI London Film Festival in October 2021.

Christmas Concert

In collaboration with St Paul's Church Covent Garden we presented a Christmas Concert, combining traditional and new pieces of work in a festive celebration which was performed live for a select group of supporters and streamed online for free, gaining 26,000 views.

Assembly

For our first Donmar Local production, we commissioned playwright Nina Segal and director Joe Hancock to create a piece of work featuring 17 local non-professional actors. Originally intended to be performed on the Donmar stage it was adapted to become a live online production performed around the Donmar's rehearsal and office building, and explored the threat of the climate emergency and the possibility of action from citizens and communities. It received 8500 views.

Monuments

An ensemble of ten global majority young people from the Donmar's home boroughs of Camden and Westminster worked with leading directors, writers and filmmakers to produce a short film exploring the legacy of the Empire visible in London and how we reclaim history from centuries of white-washing. It was distributed online for free and watched 7500 times.

Donmar Warehouse Projects Limited

Trustees' report for the year ended 31 March 2021 (*continued*)

Inclusivity in our work on stage

We continued to invest in artistic leadership, welcoming Joan Iyiola and Zoë Svendsen to join our team of Associates alongside Prasanna Puwanarajah, Tom Scutt and Sacha Wares (40% global majority, 60% female-identifying), advocating for artistic excellence and signalling powerful role models for aspiring artists.

We commissioned 8 writers to further expand and continue to diversify the commissioning slate: Chris Bush, Ella Hickson, Danny Lee Wynter, Nessah Muthy, Diana Nneka Atuona, Jackie Sibblies Drury, Simon Stephens, Athena Stevens. We currently have 14 commissioned writers (an increase of almost 200% 19/20). Our partnership with Theatre Royal Haymarket specifically supports two writers with protected characteristics.

During the year we created a new Access Rider for disabled artists to ensure that we support people to work with us in line with best practice. We will also host a showcase for disabled actors - followed by a networking event and reception to celebrate the work, co-hosted by Daniel Monks. We will consult with leading Disabled Artists and Disabled-led Arts organisations to listen to the specific needs and ambitions of those artists and how best to use the Donmar platform and resources to serve them.

Open Door: we are committed to two workshop/ Q&A sessions (either online or in person, when guidelines permit) for the Graduate group (those leaving drama school), and the Elevate group (a smaller group of graduates from low-income backgrounds).

Acknowledging there is currently a lack of representation of Trans actors at the Donmar, we consulted with Milk Presents / Gendered Intelligence / The Queer House and Outbox Theatre about specific and meaningful ways to listen to artists and engage with how to best serve the needs of Trans actors within the theatre community and ways to use the Donmar platform to showcase Trans actors' work to the wider industry.

2. Create a new skills development programme

We ran our first digital skills development programme, Future Forms, led by Artistic Associate Sacha Wares, a 9-week digital training programme for 16 emerging writers.

In summer 2021 we will launch EMERGE, a new positive action trainee scheme addressing under-representation within the Donmar. We will recruit 3 fixed term traineeships within the office team (in participation, operations and marketing) and 11 trainee placements in creative teams, by matching diverse young emerging creatives with Donmar artists during the pre-production, rehearsal, tech and preview periods. The creative trainees will assist and be mentored by the creatives and office-based trainees will be mentored by appropriate senior colleagues both during their time with us and beyond, to support retention in the industry. We will work with colleagues in other London Theatre Consortium theatres to ensure there are opportunities for our trainees to understand/experience other organisations. We continue to pay all trainees who work at the Donmar a minimum of the London Living Wage, and during this year will undertake benchmarking with LTC theatres to look at industry-wide pay scales.

In association with Creative Access we will participate in the government's Kickstart scheme. When the theatre reopens we will recruit at least 4 new Customer Service Assistants through this route, who will be trained in all customer facing roles within the venue.

Donmar Warehouse Projects Limited

Trustees' report for the year ended 31 March 2021 (*continued*)

3. Broaden and diversify audiences and workforce

Audiences

Due to the closure of the theatre we had to refocus our work to reach audiences predominantly online. With modest marketing budgets available we utilised our existing core channels and developed partnerships with organisations such as the National Theatre and YouTube to broaden our reach beyond our core audiences.

The significant increase in 'digital first' content produced during this period is demonstrated by the high viewing figures achieved, but our website traffic reduced significantly with only a small number of tickets to sell for Blindness.

- Our website traffic reduced (due to reduced activities in this period) from 452,296 users to 124,343 users.
- Our social media accounts stayed steady at 27,121 followers on Facebook, 107,890 on Twitter and 26,935 on Instagram.
- We achieved 193,037 views/listens in 2020/21 on our own channels, with an additional 595,083 views for Coriolanus via National Theatre at Home
- Whilst the Donmar has been closed for much of 2020/21, work around Access and Inclusion has continued. Across the year we have ensured all digital productions and content have had audio descriptions/audio introductions and has been captioned. BLINDNESS had an Access at Home offer, with 253 watching the captioned version and 369 utilising the audio described offer - The Access at Home offer has accompanied the tour, with the offer of the captioned version readily available, and 63 utilising the audio described.

We carried out two research projects in this period (for Midnight Your Time and Blindness) with Morris Hargreaves MacIntyre, to try to understand who was engaging with our work during the pandemic. The results of this research were that audiences felt both projects had the same high quality production values and intimacy of our regular programming, and that our loyal core audiences were willing to take a risk on new models because of the strength of the Donmar brand.

We are working on improving our data capture processes as we return to a regular programme of shows in the theatre, so we can better understand audiences' needs as we reopen and improve our understanding of the demographics of our audiences.

Workforce

We entered into an Inc Arts ally partnership and worked closely with them on anti-racism training, recruitment strategies and in developing a renewed Inclusivity and Relevance Plan.

Due to the theatre's closure for the majority of the year, we paused most recruitment, making use of the government's CJRS to retain core staff where possible. During 2021/22, we will bring our team back to full numbers, and will continue to improve our workforce diversity with the aim of having 15% global majority workforce by April 2022. Having taken over the operation of the theatre from ATG, we have the opportunity to recruit 19 new roles. We will work with Inc Arts to rewrite our recruitment policy, with an increased focus on finding new ways to advertise roles, expanding our methods of accepting applications and committing to interviewing more people in order to widen the talent pipelines into the Donmar. In addition in 2021/22 we will create 3 positive action traineeships for admin roles and 11 creative traineeships, which will provide new routes into the workforce for global majority candidates.

We will provide training to staff when we return to in person working and will evaluate which of our former retention strategies (including staff benefits) have the greatest impact on wellbeing and retention. We have developed new internal committees to facilitate the embedding of our workforce's voices in decision making / encouraging greater diversity of voices in decision making.

Having supported an industry wide Freelancer Taskforce in 2020 we have launched our own freelance council made up of 4-5 people from various backgrounds and disciplines. This group will meet quarterly and feed in on organisational culture, programming, and specific projects. Members will be paid a small fee for their time.

Donmar Warehouse Projects Limited

Trustees' report for the year ended 31 March 2021 (*continued*)

4. Play an active role in our community

We maintained our commitment to young people, schools and our local community this year by:

- Gathering young people together in the first stage of the pandemic to create ISOLATE ENSEMBLE - a digital devising project. A group of 17 young people worked with Donmar Resident Assistant Directors to create a short film, focussing on the impact of the pandemic on young people and supporting mental wellbeing. The final film has been viewed by over 3,800 people
- Presenting MONUMENTS: A short film which explored how the legacy of the Empire impacts young people of the global majority in our local community. Written by Nessah Muthy and directed by Sara Aniqah Malik, MONUMENTS featured 12 young people and has been watched by over 7,500 people
- Developing the delayed production of ASSEMBLY into leading digital production, presented live from 17 locations. Written by Nina Segal and directed by Joseph Hancock, ASSEMBLY engaged 112 local community members, with 17 being in the final production. Presented live to 4,637 viewers, the digital production was watched by 8,812 viewers over the two weeks it was online.
- Working with 81 young people from 6 schools across 5 boroughs for a digital TAKE THE STAGE responding to our sound installation, BLINDNESS. The young people worked with 10 artists to create new digital works presented on Soundcloud, Youtube and Mozilla Hubs VR platform, with 1179 views across all the work.

5. Commit to sustainable working practices

We welcomed Artistic Associate Zoë Svendsen to the team. An academic and creative practitioner working in sustainability, she started her role by holding session with the Senior Management Team looking at climate dramaturgy and will continue these discussions in more depth during 2021/22.

Our Environmental Action internal working group met in May, discussing ways to continue to champion sustainability as we come back to our buildings e.g. PPE recycling, green commitments around utility bills, and details such as biodegradable teabags and make-up facewipes for productions. The team is also looking ahead to how to plan our annual Green Week and what aspects to focus on, and hopes to invite Zoë Svendsen to talk more in depth with the working group in due course.

6. Maintain financial stability

Financial Review

The Donmar's £6.0m revenue (2019/20: £6.4m) is principally drawn from fundraising, £4.3m (2019/20: £3.1m), production income £0.3m (2019/20: £2.1m), support of the Arts Council, £0.5m (2019/20: £0.5m), use of Cultural Grants £0.3m (2019/20: £Nil), use of the Coronavirus Job Retention Scheme £0.4m (2019/20: £Nil) and trading income, £0.2m (2019/20: £0.3m).

Total income is down on the prior year due to the Covid pandemic and its impact to Productions and Development income. Production income was down (85%), with only one Production in the year. Fundraising was up 38% however this was mainly due to one off Capital work donations of £2.4m (without this Capital income, Development income would be down 34%), Membership, Gift Aid and Pay it Forward were all down on the prior year as people put memberships and donations on hold. The Donmar received Government support in the year through the Cultural Recovery Fund (£0.3m) and the Coronavirus Job Retention Scheme (£0.4m).

While the Donmar remains committed to investing as much of its income as possible in the work it produces on the stage whilst offering accessibility and value for its supporters and for the public money we receive, this year this commitment proved more difficult with limited opportunities available for stage productions. While the Donmar branched out into some digital work, this did not drive any new income streams and was supported by the Cultural Recovery Fund.

During the 2020/21 financial year, the main focus on expenditure has also been to reduce costs to try and match our lower income streams. Direct production expenditure was £1.0m (2019/20: £3.9m), accounting for 30% of total expenditure and, exceeded box office revenue by over £0.9m. Our public subsidy accounted for 9% of total income, relatively low amongst peers.

Donmar Warehouse Projects Limited

Trustees' report for the year ended 31 March 2021 (*continued*)

Financial review (*continued*)

The other key expenditure area is staff and personnel (permanent staff headcount: 38, 2019/20: 41) which is £1.6m (2019/20: £2.1m), equating to 46% of our total general expenditure (19/20: 32%).

While the impact of Covid has reduced our income streams, through costs saving and other support we are showing a net profit of £0.3m (£2.6m with Capital Donations) (2019/20: £0.4m loss). This profit will help bolster our current reserve position (page 10 and 11), and help the management team to mitigate the on-going impact of the Covid pandemic and help the Donmar to continue to work towards a sustainable model.

Fundraising

Total fundraising income was £4.3m (72% of total income) (2019/20: £3.1m), which was principally income from individuals, £1.2m (2019/20: £1.0m), commercial trading operations (corporate sponsorship), £0.5m (2019/20: £0.8m) and £0.2m in revenue from Trusts and Foundations (2019/20: £0.4m). It also includes £2.4m in donations toward the Capital Works (2019/20: £0.2m).

Covid presented a huge challenge to fundraising, and while some individuals and Trusts and Foundations were able to continue or even increase their support, the majority of corporates and low-level members paused or stopped their support. Additionally, with a relatively new executive team some relationships had not yet become established prior to closure.

However, the Development team focussed on continuing to engage supporters across all levels with personal calls and a strong digital offering, and this resulted in a higher end-of-year result than anticipated.

Overall, retention rates dropped by about 15% and around 20% of those members who did renew, downgraded, either for personal reasons or due to the lack of benefits on offer while the theatre was shut. While the larger and longer-standing corporate partners continued their support as per existing contracts, a few of them requested an extension (which will affect revenue in future FYs) and one dropped out altogether due to suffering very badly from the pandemic. This was mitigated by some successful larger asks including from new or little-known existing supporters who wanted to make sure the Donmar could see the pandemic through.

During this time, the Development Director formed a new Development committee, with the theatre reopening in sight, able to introduce new High Net Worth Individual networks to the Donmar, with a focus on those Corporate and Individuals who will be aligned with Michael Longhurst's new vision for the Donmar.

Finally, in spite of the challenging landscape, we continued to successfully fundraise for the Capital project raising £2.4m

It is likely that Covid-19 will continue to have long-lasting effects on our ability to fundraise from all sources for the foreseeable future and targets have been adjusted accordingly. A new appeal was launched to support recovery and a strategy is in place to continue diversifying sources of income making us more resilient and less vulnerable to external factors.

Donmar Warehouse Projects Limited

Trustees' report for the year ended 31 March 2021 (*continued*)

Fundraising disclosures

The Donmar fundraising team raises funds primarily through offering a range of membership packages which are supported by benefits and specialist events, securing donations which are typically linked to a specific activity (e.g. production support), grants from trust and foundations, and through corporate sponsorship agreements. The Donmar does not engage any professional third-party fundraisers to make approaches to individuals on our behalf or involve commercial participators.

All direct marketing is undertaken by the fundraising department to ensure that it is not unreasonably intrusive or persistent. Aside from current members who receive regular updates via post and email to ensure that they can make the most of membership benefits, contact is made through direct marketing at the time of our programming announcements, usually twice per year. All marketing material contains clear instructions on how a person can be removed from mailing lists.

The Donmar is GDPR compliant and our fundraising team, senior staff and volunteers adhere to the Fundraising Codes of Conduct and Standards of Research as laid out by the Fundraising Regulator. We have an Ethics Policy in place. This covers ethical fundraising practice and process. It is endorsed by our board, and overseen by the Ethics and Reputation Committee. There have been no complaints about our fundraising activity this year.

Theatre Essential Works Project

The Theatre successfully delivered its essential works project achieving Practical Completion on 23 July 2021. The works initially focused on the renewals of essential mechanical and electrical systems past the end of their economic life including wholesale replacement of the heating and ventilation plant; and Accessibility improvements including a street level access and ramp and a new evacuation lift with wider door access. With continued success in fundraising, increased certainty over the reopening programme and a willing and constructive builder on site, the Board approved an additional package of works in March 2021 that will have a significant impact on audiences and artists for our planned reopening in September 2021. This included rearranging and refitting the existing WC provision; and a full refurbishment of the front of house including rationalising internal layouts, doorways and sightlines to further improve Accessibility.

During August 2021 we delivered a programme of fit out works including new bars, box office, carpet and painting; works to the stage, technical grid, and back of house to address the lack of maintenance work over the last ten years; replacement of ATG assets including CCTV, the entire IT system including WIFI APS, and all white goods and systems from the front of house bars and box office.

As with the original scope, heating, ventilation, electrical and fire risk improvements reflects a significant part of the overall project cost of £3.5m but will enable extended lifetime of the building as a whole.

Donmar Warehouse Projects Limited

Trustees' report for the year ended 31 March 2021 (*continued*)

Financial Viability

The financial viability of the Donmar is overseen by the Audit, Finance and Operations (AF&O) Committee. The committee oversees and evaluates the monthly financial figures for the organisation, led by the Executive Director (ED) and the Head Of Finance (HoF). The AF&O reports to the Board and the Board has final sign off on the annual budget. The Board appoints external auditors, and commissions and considers reports as necessary, analysing risks raised through these processes.

The key financial risk within the next two years continues to be the impact of the Covid pandemic on the Donmar's income streams. Covid has had a wide-ranging impact on the Donmar, resulting in the closure of the theatre, cancellation of planned performances and the cessation of all production activities which constitutes, on average, 40% of the overall income for the Donmar (including Theatre Tax Relief). It has also had an impact on Development income with memberships being put on hold and reduced funding from Corporates and Trust and Foundations. Whilst the Donmar is one of Arts Council England's National Portfolio Organisations, meaning it is in receipt of regular annual grants, at circa. 9% of the annual income this is not sufficient to support the Donmar on its own. The Donmar has, during the current year, made use of both the Coronavirus Job Retention Scheme and the Cultural Recovery Fund in order to support work and operational costs.

The management team has worked to reduce costs, access available government funding and has created performances that fall within the Covid guidelines; these performances drive Production Revenue as well as engage Individual and Corporate members and Donors which make up circa. 48% of our overall revenue. The management team and the AF&O continue to review, adapt and respond to the changing Covid guidelines and funding opportunities as they arise.

The planned capital project has been increased from £1.6m to £3.4m, however this was only increased as additional funds have been raised and will materially be funded by these raised restricted funds.

The key risks to the theatre's operating model remain its dependencies on individual, material inflows; notably the NPO grant from the Arts Council England (£0.5m) and the Theatre Tax Relief (£0.03m). The NPO grant is secured until 2023 (though the annual amount received is not guaranteed). We are not aware of any current discussions regarding changes to the tax relief. Should these inflows change materially or stop, this would likely necessitate a change to our operating model and impact the quality of the work we produce and our public benefit. To help mitigate this risk the Donmar has diversified its income streams by renting out office and flat space and by engaging with Commercial partners. This helps to lessen the dependence on fundraising, and where possible the Donmar continues to look for structural ways to reduce the in-year risk associated with fundraising income, and careful performance and cost management to build resilience for future years. We have set a reserves policy to hold a sufficient amount in the risk reserve to support the organisation to transition to a new operating model in the event these income streams are affected.

Expenditure is managed across the organisation through structured meetings between budget holders and the Finance department on a monthly basis. The reviewed figures are then considered by the Head of Finance (HoF) and reported monthly to the Executive Director and the Artistic Director. Budgets have built-in contingencies and there is an overall organisational contingency each financial year, managed by the Executive Director. Organisationally, the budgets are overseen by the Executive Director and managed by the HoF and senior management team with the Director of Development leading on the majority of income generation and the Senior Producer leading on the majority of expenditure on the productions.

Going concern

The Trustees have reviewed the Charity's financial viability as part of their normal review process. A detailed 12-month budget, updated monthly, and 4-year plan, updated quarterly, support this performance assertion. Key risks, as identified on page 9, are monitored and mitigation steps put in place. The liquidity provided by the reserve is set to provide sufficient support where mitigating steps cannot eliminate risks and the current level is considered appropriate to support a going concern status.

Donmar Warehouse Projects Limited

Trustees' report for the year ended 31 March 2021 (continued)

Going concern (continued)

This year, as last year, the Trustees have also given particular consideration to the effect of Covid-19, reviewing the impact of the pandemic on the organisation's ongoing forecasts and projections to ensure that the organisation remains financially viable. When reviewed in September 2021, it was noted that social distancing and the threat of future closures of the Theatre and potential cessation of production activities has had a wide-ranging impact across all revenue streams. While Production income and Development income are lower than the prior year, we expect that these will increase again once the Theatres re-open and social distancing measures are reduced, so far there have been encouraging signs of this in our 21/22 Season on-sale. The management team has also continued to encourage member and corporate engagement while reducing costs so as to mitigate any reduction in income over the short to medium term on Fundraising income.

Since March 2020, the management team have implemented a number of cost saving initiatives designed to reduce costs in the short term and long term in order to achieve further sustainability. The Donmar have also taken advantage of the Government, and any other available, schemes or grants in order to reduce costs. We will continue to maximise our use of these schemes where appropriate to support the Donmar while its revenue is impacted.

During the 2020/21 financial year, the Charity's management team has also spent time producing Covid specific work, which, while not being on the scale of full productions, has brought in additional donations (Midnight Your Time, Christmas Concert) and a small London ticket income stream (Blindness) and further encourages Member and Corporate engagement. Blindness continues to tour in the UK and internationally and this income stream will help support the Donmar through this re-opening year.

At the end of August 2021, the Donmar Warehouse had cash of £4.5m, fixed assets of £10.1m and cash reserves of £3.7m (£0.1m restricted). Cashflow forecasts show cash dropping down to its lowest point of £2.3m (including restricted reserves of £0.2m) over the next 12 months. However, even given this use of funds, the level of reserves that remain available to the Donmar, its cost saving initiatives, current level of income and management's drive to continue to deliver quality productions, the Board remain satisfied that Donmar Warehouse will continue to be a going concern for the 12 months from date of signing and the accounts have been prepared in the knowledge that Donmar Warehouse Projects Limited is a financially viable organisation.

Reserves Policy and Risk Management

The Trustees consider the risks to the charity at each quarterly Board meeting and ensure that systems and procedures are established to mitigate the risks identified. At each meeting the Board also reviews the latest Risk Register prepared by the Executive which outlines the production related risks including health and safety as well as financial, reputational and strategic risks.

The Trustees consider the Covid-19 pandemic, planned theatre maintenance and the reliance on fundraising as the major short to medium term risks to the charity. The Covid-19 pandemic continues to impact all areas of the business from health and safety of staff, freelancers, actors and visitors to the theatre to revenue targets which are impacted by social distancing and customers mixed views on returning to the Theatre. Planned Theatre maintenance is considered an on-going risk due to potential overruns to the current maintenance programme and any unforeseen maintenance costs. The Donmar's reliance on fundraising income remains an on-going risk due to potential donor fatigue, loss of major corporate sponsors and decline in memberships. These risks are reflected in the investment in the Operational Risk Reserve and the Covid Recovery Fund, both of which are discussed below.

Tangible Fixed Asset Funds
Covid Recovery Fund
Building Maintenance Fund
Creative Investment Fund
Operational Risk Reserve

Donmar Warehouse Projects Limited

Trustees' report for the year ended 31 March 2021 (continued)

Reserves Policy and Risk Management (continued)

The **tangible fixed asset fund** represents the value of the Donmar's fixed assets: the lease of the Donmar Theatre at Earlham Street, the lease and capitalised costs of the office at Dryden Street, the capitalised costs of the redevelopment project, and the book value of fixtures and fittings.

The Donmar holds three designated reserves:

1. **Covid Recovery Fund:** The fund was set up to support the Theatre through the Covid pandemic to support any operational losses and to allow for work to continue that may be loss leading but would allow the Donmar to continue to deliver its artistic vision.
2. **Building Maintenance Fund:** The Donmar retains a reasonable sum within the theatre maintenance fund to cover unbudgeted and/or uninsured repairs and maintenance. This fund has been built in recent years to reflect the age of some of the theatre infrastructure. We expect this will be spent partially each year and refilled from surpluses as is possible.
3. **Creative Investment Fund:** This fund allows the Donmar to be able to invest and respond quickly to creative opportunities that may arise, outside of planned activity, which would enable us to extend our reach, maintain our goals for innovation and ensure sustainability. We anticipate this will be spent over the next year on a suitable creative initiative.

The operational risk reserve reflects the risk profile and risk register of the Donmar. It is set at a level that should allow the Donmar to continue to operate in the event of a short fall in fundraising, trading income, box office income or Arts Council core grant. The policy is to hold at least 22% of forecast income for the forthcoming year or a minimum of £1.25m, whichever is higher. As at the 31 March 2021 the operational risk reserve was £2.1m (2019 - £0.9m) this 30% above the targeted 22%.

Restricted funds

The Donmar holds a number of restricted funds which are detailed at page 40-45. The total value of restricted funds at 31 March 2021 was £789,208 (2020: £445,586).

While it is expected that the Covid pandemic will draw down on the Donmar's reserves the Trustees are satisfied that sufficient reserves are currently being held to get the Donmar through this period. With steps taken by management to reduce the impact of Covid, the future support of the charity's grant aiding bodies and private donors, we intend to sustain our risk reserve at a minimum of 22% of our annual revenue.

Public Benefit

Despite the year's closure, the Donmar has continued to inspire audiences, grow skills and nurture young people by:

- Making inclusive, relevant, world-class work that thrills audiences in our 251 seat theatre and online
- Employing talented and diverse creative teams and acting companies
- Investing in skills development and training to grow a diverse and highly skilled workforce for the theatre sector
- Widening audiences using digital technology
- Maintaining access through captioned, audio described and touch tour performances
- Broadening and diversifying our audiences and workforce
- Playing an active role in our community, working with schools and local young people from disadvantaged backgrounds.
- Looking outside our company and considering the impact of our business, with the aim of achieving a greener understanding of how a sustainable, efficient theatre can operate and add value to our community
- Maintain financial stability and value for money for our funders, whilst keeping ticket prices low

In planning the activities of the charity the Trustees have given due regard to the Charity Commission's guidance on public benefit and, in particular, the specific guidance for fee charging charities. As mentioned above the Trustees believe that the activities of the charity in the year confirm its ability to provide current and on-going benefit to the public.

Donmar Warehouse Projects Limited

Trustees' report for the year ended 31 March 2021 (continued)

Future Plans

2020/21

- The huge challenges presented by Covid have made planning for 2021 onwards extremely difficult and we have gone through several iterations of possible programming. We were proud to be one of the first theatre companies back producing to live audiences with *Constellations*, a revival of the hit Royal Court production directed by Michael Longhurst which features 4 couples sharing 12 performances per week - a financial model which supports socially distanced audiences while also providing additional safeguard against actors having to self-isolate. In addition it gives audiences the chance to see the same script performed by 4 very different casts, which mirrors the play's subject matter of string theory and the 'multiverse'. The cast of Sheila Atim, Ivanno Jeremiah, Peter Capaldi, Zoe Wanamaker, Omari Douglas, Russell Tovey, Anna Maxwell Martin and Chris O'Dowd will give theatregoers a wide choice and encourage some to return more than once. We are creating a series of creative assistant positions shadowing members of the creative team to create additional pathways into the industry. In addition we are creating screen captures of each cast which will extend the Donmar's reach geographically, allow the production to be seen in schools for free, bring the experience to those audiences not yet able or willing to travel into central London and develop the Donmar's digital capabilities.
- We will reopen the theatre with a season which celebrates the best of the Donmar and British theatre talent. Inua Ellams will perform his one man celebration of poetry, *Search Party*, for one week to launch the venue. *Love and Other Acts of Violence* by Cordelia Lynn will be the first play commissioned by Michael Longhurst to be produced on our stage, directed by Elayce Ismail. It will be followed by *Force Majeure*, which we had originally programmed in 2020 and which will star Rory Kinnear and be directed by Artistic Director Michael Longhurst. 2021/22 will end with *Henry V*, starring Kit Harington and directed by Donmar Associate Director Max Webster. Looking ahead to 2022, we will present the British premiere of *Marys Seacole* by Pulitzer prize winning playwright Jackie Sibbles Drury, directed by Nadia Latif.

The Executive and staff

The Executive comprises the Artistic Director and Executive Director. The Executive is supported by a team of 38 full time and part time employees including a Senior Management Team who collectively realise the mission and aims of the organisation.

The Donmar is committed to paying its employees a fair salary that is competitive within its industry and for the complexity of the role. In determining the right level of pay the Donmar has a remuneration and bonus policy, detailed appraisal process and regularly reviews and benchmarks the pay, benefits and total compensation.

The Governance, Nominations and Remuneration committee is responsible for reviewing and benchmarking the pay of the Executive team and the Executive is responsible for reviewing and benchmarking the pay of the Senior Management team.

Donmar Warehouse Projects Limited

Trustees' report for the year ended 31 March 2021 *(continued)*

Board of Directors

The Board of Directors met four times in 2020/21 for scheduled meetings. The Directors of the company are also Trustees for the purpose of charity law. The board supervises the activities of the charity with day to day activity delegated to the Executive and Senior Management.

Donmar Warehouse Projects Limited is a company limited by guarantee and not having share capital.

The following Directors have held office since 1 April 2020:

The Lord Browne of Madingley (Chairman, retired 03 December 2020)

Adam Kenwright (Chair, appointed as Trustee/Chair Elect from 23 November 2020 and as Chair from 03 December 2020)

Sylvie Bressler (appointed 7 April 2020)

Susan Boster

Simon Dingemans

William Eccleshare

Tiina Lee (appointed 7 April 2020)

Gerard Lemos CMG (appointed 7 April 2020)

Michael Longhurst

The Lady Lowy Mitchell

Antonia Romeo (appointed 16 April 2020)

Tessa Ross CBE [Tessa Scantlebury] (appointed 7 April 2020)

June Sarpong OBE (appointed 7 April 2020)

Jonathan Smith

Lucian Msamati (appointed 21 July 2021)

Honorary Life President: Roger Wingate

In addition to the Board, there is a structure of Groups focusing on key areas of the organisation, which feed directly into the Board in an advisory capacity:

- Audit, Finance & Operations
- Development
- Ethics & Reputation
- Governance, Nominations & Remuneration
- Property

The membership of these Groups is a mix of Board members, Executive, SMT, and external members who provide expert knowledge on the Group's remit. The Groups and Board are administered by the Planning & HR Manager, supporting both the Executive and the Trustees.

Donmar Warehouse Projects Limited

Trustees' report for the year ended 31 March 2021 (continued)

Recruitment and Appointment of Trustees

In May 2020, Lord Browne informed the Board of his plans to not take up a second term in office (beyond January 2021), resulting in a Chair recruitment process being undertaken between August-December 2020, led by an external headhunter. A working group of trustees led a process which also included input from Arts Council England.

Adam Kenwright, a long-term Donmar supporter, was identified as an exceptional candidate, bringing a wealth of theatre-specific expertise; upon recommendation to the wider Board, Adam was formally appointed as Trustee and Chair Elect in November 2020, prior to formal handover from Lord Browne in December 2020. The Board includes three global majority trustees (23%) of a total of 13, with a 7 : 6, female : male gender split.

Trustee induction and training

New Trustees receive all necessary documentation so as to understand their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the workings of the Board of Management and the decision-making process.

New trustees are provided with an induction booklet, a policy handbook and are briefed by the Executive on the Donmar's activities. They connect with members of the Senior Management Team where necessary so as to understand relevant areas.

Subsidiary

Donmar Productions Limited is a wholly owned trading subsidiary responsible for producing the Donmar's productions as well as other commercial activities. The Donmar's board appoint the directors of Donmar Productions Limited which comprise board members. The results are consolidated within these accounts as per note 15.

Donmar In The West End Limited and Donmar Films Limited are wholly owned subsidiaries that did not trade during the year (18/19 no trade). The Donmar's board appoint the directors of both entities which comprise board members. The results are not consolidated under the provision of section 24.12 of SORP FRS 102 as their results are not considered material to the group (see note 15).

Auditor

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

Related parties

Details of related parties are included in note 25.

Donmar Warehouse Projects Limited

Trustees' responsibilities statement for the year ended 31 March 2021

Trustees' responsibilities

The Trustees are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This Trustees' Report, which incorporates the Strategic Report on pages 1 to 14, was approved on behalf of the board by

A Kenwright

..... 2021

30/11/2021

Donmar Warehouse Projects Limited

Independent auditor's report to the members of Donmar Warehouse Projects Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Donmar Warehouse Projects Limited ("the Parent Charitable Company") and its subsidiary ("the Group") for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities (incorporating an income and expenditure account), the Consolidated and Parent Charitable Company Balance Sheet, the Consolidated Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Conclusions related to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and 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 Trustees' Report, other than the financial statements and our auditor's report thereon. The other information comprises: the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Donmar Warehouse Projects Limited

Independent auditor's report (continued)

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

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

- adequate accounting records have not been kept 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Donmar Warehouse Projects Limited

Independent auditor's report (continued)

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

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

- We have made enquiries of management and the board, including:
 - how they have identified evaluated and complied with laws and regulations and whether they were aware of any instances of non-compliance;
 - their process for detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - which internal controls have been established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity. These include, but are not limited to, compliance with the Companies Act 2006, UK GAAP, Charities SORP, fundraising regulations and tax legislation.
- In addition, the Charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law and data protection. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of Those Charged with Governance and other management and inspection of regulatory and legal correspondence if any.
- We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including revenue recognition and the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.
- The Senior Statutory Auditor has assessed and concluded that the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.
- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We made inquiries of the Board and management.
- We read minutes of meetings and those charged with governance.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; considered completeness of related party transactions; and evaluated the business rationale of any significant transactions that are inappropriate or unusual or; and
- We challenged assumptions made by management in their significant accounting estimates in particular in relation to the assumptions related to the allocation of support costs, depreciation, theatre tax relief and going concern.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Donmar Warehouse Projects Limited

Independent auditor's report *(continued)*

Use of our report

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

DocuSigned by:

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Jill Halford (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
Date 03 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Donmar Warehouse Projects Limited

Consolidated statement of financial activities (Incorporating an income and expenditure account) for the year ended 31 March 2021

	Note	Unrestricted funds £	Restricted funds £	2021 Total £	2020 Total £
Income from:					
Donations:					
Development income	4	1,673,774	1,980,581	3,654,355	1,828,826
Other grants and donations	5	1,322,976	11,395	1,334,371	939,858
Charitable activities:					
Production income	6	182,718	138,333	321,051	2,142,113
Trading activities	7	668,128	-	668,128	1,491,620
Investments	8	1,320	-	1,320	11,354
Total income		3,848,916	2,130,309	5,979,225	6,413,771
Expenditure on:					
Raising funds		1,267,839	-	1,267,839	533,435
Charitable activities					
Production expenses		238,260	1,786,687	2,024,947	6,069,248
Total expenditure	10	1,506,099	1,786,687	3,292,786	6,602,683
Net income/(expenditure) in the year before transfers and tax	9	2,342,817	343,622	2,686,439	(188,912)
Transfers between funds	20	-	-	-	-
Net income/(expenditure) in the year before tax		2,342,817	343,622	2,686,439	(188,912)
Tax payable		-	-	-	(173,188)
Net movement in funds	20	2,342,817	343,622	2,686,439	(362,100)
Reconciliation of group funds:					
Opening fund balances at 1 April 2020	20	10,420,936	445,586	10,866,522	11,228,622
Closing fund balances at 31 March 2021	20	12,763,753	789,208	13,552,961	10,866,522

All amounts results are derived from continuing activities.

The company has no other recognised gains and losses other than those stated above.

The notes on pages 23 to 49 form part of these financial statements.

Donmar Warehouse Projects Limited

Consolidated and charity balance sheet at 31 March 2021

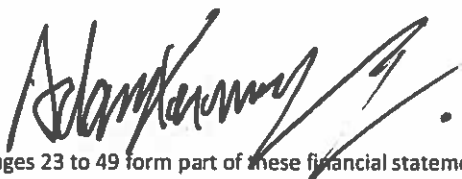
Company number 1611861 (England and Wales)

	Note	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Fixed assets					
Intangible assets	13	66,040	96,377	66,040	96,377
Tangible assets	14	8,416,161	6,969,200	8,416,161	6,969,200
Investments	15	2	2	3	3
		8,482,203	7,065,579	8,482,204	7,065,580
Current assets					
Stocks		-	4,950	-	-
Debtors	16	863,839	1,066,974	4,501,776	3,806,494
Cash at bank and in hand	22	5,596,657	4,352,333	4,510,759	2,861,781
		6,460,496	5,424,257	9,012,535	6,668,275
Creditors: amounts falling due within one year	17	(1,363,338)	(1,596,914)	(3,884,531)	(2,866,048)
Net current assets		5,097,158	3,827,343	5,128,004	3,802,227
Total assets less current liabilities		13,579,361	10,892,922	13,610,208	10,867,807
Provision for liabilities	19	(26,400)	(26,400)	(26,400)	(26,400)
Net assets	21	13,552,961	10,866,522	13,583,808	10,841,407
Restricted funds		789,208	445,586	768,375	445,586
General unrestricted funds		2,181,552	905,359	2,233,232	880,244
Designated funds		2,100,000	2,450,000	2,100,000	2,450,000
Fixed asset funds		8,482,201	7,065,577	8,482,201	7,065,577
Total unrestricted funds	20	12,763,753	10,420,936	12,815,433	10,395,821
Total	20	13,552,961	10,866,522	13,583,808	10,841,407

As permitted by S408 Companies Act 2006, the charity has not presented its own profit and loss account and related notes. The charity's surplus for the year was £2,742,401 (2020 – deficit of £367,764).

The financial statements were approved by the Board of Directors and authorised for issue on 30/11/2021

A Kenwright
Director



The notes on pages 23 to 49 form part of these financial statements.

Donmar Warehouse Projects Limited

Consolidated statement of cash flows and net debt for the year ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net income / (expenditure) for the reporting period		2,686,439	(362,100)
Depreciation	14	128,014	130,670
Amortisation	13	30,337	30,336
Investment income	8	(1,320)	(11,354)
Tax		-	173,188
Decrease/(increase) in stocks		4,950	(1,710)
Decrease in debtors	16	203,135	614,220
Decrease in creditors	17	(233,576)	(57,806)
Increase in provisions	19	-	26,400
Net cash provided by operating activities		2,817,979	541,844
Cash flows from investing activities			
Investment income received	8	1,320	11,354
Purchase of fixed assets	14	(1,574,975)	(131,959)
Net cash (used in) investing activities		(1,573,655)	(120,605)
Change in cash and cash equivalents in the reporting year	22	1,244,324	421,239
Cash and cash equivalents at the beginning of the year		4,352,333	3,931,094
Cash and cash equivalents at the end of the year	22, 23	5,596,657	4,352,333

Statement of net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Short-term deposits held	4,351,998	1,244,324	5,596,322
Transfer	335	-	335
	4,352,333	1,244,324	5,596,657

The notes on pages 23 to 49 form part of these financial statements.

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021

1 Status of company

The company is a registered charity, limited by guarantee.

The company has thirteen members, who are also directors. The liability of each member on a winding up is limited to a maximum of £1.

2 Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention. The accounts (financial statements) have been prepared in accordance with 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" (The Charities SORP 2nd Edition) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006 and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS 102.

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 £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied consistently:

Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the following disclosure exemptions:

- from preparing a statement of cash flows on the basis that it is a qualifying entity and the group cash flow statement included within these financial statements, include the company's cash flows; and
- from the financial instruments disclosures, required under FRS 102 para 11.40 to 11.48A and para 12.26 to 12.29, as the information is provided in the Group financial disclosures.

Consolidation

The consolidated financial statements present information about the company and its wholly owned subsidiary Donmar Productions Limited.

The results of the wholly owned subsidiaries, Donmar In The West End Limited and Donmar Films Limited have not been consolidated under the provision of section 24.12 of SORP FRS 102 as their results are not considered material to the group (see note 15).

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 *(continued)*

2 Accounting policies *(continued)*

Going concern

The Trustees have reviewed the Charity's financial viability as part of their normal review process. A detailed 12-month budget, updated monthly, and 4-year plan, updated quarterly, support this performance assertion. Key risks, as identified on page 9, are monitored and mitigation steps put in place. The liquidity provided by the reserve is set to provide sufficient support where mitigating steps cannot eliminate risks and the current level is considered appropriate to support a going concern status.

This year, as last year, the Trustees have also given particular consideration to the effect of Covid-19, reviewing the impact of the pandemic on the organisation's ongoing forecasts and projections to ensure that the organisation remains financially viable. When reviewed in September 2021, it was noted that social distancing and the threat of future closures of the Theatre and potential cessation of production activities has had a wide-ranging impact across all revenue streams. While Production income and Development income are lower than the prior year, we expect that these will increase again once the Theatres re-open and social distancing measures are reduced, so far there have been encouraging signs of this in our 21/22 Season on-sale. The management team has also continued to encourage member and corporate engagement while reducing costs so as to mitigate any reduction in income over the short to medium term on Fundraising income.

Since March 2020, the management team have implemented a number of cost saving initiatives designed to reduce costs in the short term and long term in order to achieve further sustainability. The Donmar have also taken advantage of the Government, and any other available, schemes or grants in order to reduce costs. We will continue to maximise our use of these schemes where appropriate to support the Donmar while its revenue is impacted.

During the 2020/21 financial year, the Charity's management team has also spent time producing Covid specific work, which, while not being on the scale of full productions, has brought in additional donations (Midnight Your Time, Christmas Concert) and a small London ticket income stream (Blindness) and further encourages Member and Corporate engagement. Blindness continues to tour in the UK and internationally and this income stream will help support the Donmar through this re-opening year.

At the end of August 2021, the Donmar Warehouse had cash of £4.5m, fixed assets of £10.1m and cash reserves of £3.7m (£0.1m restricted). Cashflow forecasts show cash dropping down to its lowest point of £2.3m (including restricted reserves of £0.2m) over the next 12 months. However, even given this use of funds, the level of reserves that remain available to the Donmar, its cost saving initiatives, current level of income and management's drive to continue to deliver quality productions, the Board remain satisfied that Donmar Warehouse will continue to be a going concern for the 12 months from date of signing and the accounts have been prepared in the knowledge that Donmar Warehouse Projects Limited is a financially viable organisation.

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 (*continued*)

2 Accounting policies (*continued*)

Income

Income from donations and government grants, including capital and furlough grants, is included in income when there is entitlement, probability 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-conditions have been met and until then treated as deferred income. Donations and grants for particular purposes are included in income as restricted funds.

Productions income is included in income in the period in which the relevant performance takes place. Income related to productions in a subsequent period is treated as deferred income.

Goods and services received in kind, where material, are included within 'Donations' and under the appropriate income heading, depending on the nature of goods and services provided. These are recognised at an estimated value to the charity at the time of receipt.

All other income is recognised on an accruals basis once the charity is legally entitled to receipt.

Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure is recognised when a liability is incurred.

- Costs of raising funds are those costs incurred in attracting voluntary income and those incurred in the operation of trading activities which raise funds.
- Charitable activities includes expenditure associated with the operation of the theatre and such directly associated activities as educational programmes and the Directors programme. Cost of charitable activities includes 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 frequently on the basis of staff time spent in each area but other bases such as usage are also employed. Support costs also include Governance costs.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Trading expenditure forms part of the Group's trading activities and commercial exploitations are separately disclosed as trading activities.

Costs of productions not yet opened

The costs and materials for new productions and associated creative team fees are carried forward on the balance sheet until they are expensed on the date of the performance. Internal labour and rehearsal costs are expensed as incurred.

Fund accounting

Funds received for a purpose specified by the donor are credited to restricted funds. Expenditure incurred on these purposes is then charged to the funds as it is incurred (see note 20).

All other income is treated as unrestricted funds. The Trustees have chosen to designate certain funds for specific future expenditure as explained in the Trustees' Report. In addition, the Trustees consider the value of the long lease to be a designated fund as it is not a readily realisable asset.

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 (continued)

2 Accounting policies (continued)

Intangible fixed assets

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, once brought into use, as follows:

Leasehold land and buildings	-	Over the length of the lease
Leasehold improvements	-	Between 5 and 50 years on a straight line basis
IT equipment	-	Over 4 years on a straight line basis
Fixtures, fittings and equipment	-	Between 4 and 15 years on a straight line basis

Assets under construction are not depreciated until they are brought into use.

Individual fixed assets consisting more than £4,000 are capitalised at cost.

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

The investments held by the charity relate to investments in subsidiary company and these are held at cost. The investments of Donmar Warehouse Projects consist of three subsidiaries, Donmar in the West End Limited, Donmar Productions Limited and Donmar Films Limited. All three companies are not quoted and the directors consider it appropriate to include the investments at cost.

Stocks

Stocks held by the group relate to food and drink. Stocks are valued at the lower of costs and estimated selling price less costs to sell. Cost is based on the latest purchase price.

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 (continued)

2 Accounting policies (continued)

Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Provisions

Provisions are made when a present obligation exists at the balance sheet date in accordance with the requirements of FRS 102 para 21.4.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. 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.

- 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.

- Derecognition of financial assets

Financial assets are derecognised 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.

- Derecognition of financial liabilities

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

Operating leases

Rent payable is recognised on a straight line basis over the lease term.

Pensions

The charity operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the Statement of Financial Activities in the year they are payable.

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 (continued)

2 Accounting policies (continued)

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

Gift Aid

The charity owns the whole of the issued ordinary share capital of Donmar Productions Limited.

Donmar Productions Limited ordinarily pays each year to the charity, under the provisions related to Gift Aid, a sum based on the taxable profits of the Company. The payment of Gift Aid is subject to the reserves policy of the gifting entity, and the approval of the charity.

Gift Aid is recognised on the accruals basis in line with the deed of covenant.

Taxation

Donmar Warehouse Projects Limited is a culturally exempt organisation under schedule 9 of the VAT Act 1994 and during the year VAT returns have been submitted on a culturally exempt basis. Irrecoverable VAT is charged against the cost of charitable activities, where it is incurred. Irrecoverable VAT on capital expenditure has been capitalised and will be written off over the life of the assets.

As a registered charity, Donmar Warehouse Projects Limited is not liable to income tax and corporation tax on income and gains derived from its charitable activities as it falls within the various exemptions available to registered charities.

Donmar Productions Limited is liable to corporation tax.

Tax is recognised in the Statement of Financial Activities, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following critical accounting judgement has been identified below:

Cost allocation: The cost allocation methodology requires judgement as to what are the most appropriate basis to use to apportion support costs. Support costs are allocated between activities on the base of staff numbers employed on those activities during the year.

The Directors do not believe that there is a significant risk of a material adjustment being made to the carrying amounts of assets and liabilities included in these financial statements within the next financial year.

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 (continued)

4 Development income

	Unrestricted £	Restricted £	2021 £
Membership	757,172	-	757,172
Gift aid	229,040	-	229,040
Other individuals	51,395	-	51,395
Corporate	19,167	20,833	40,000
Trusts & Foundations	2,000	175,500	177,500
Pay It Forward	-	23,581	23,581
Capital	615,000	1,760,667	2,375,667
Total 2021	1,673,774	1,980,581	3,654,355
	Unrestricted £	Restricted £	2020 £
Membership	1,035,357	-	1,035,357
Gift aid	209,452	-	209,452
Corporate	15,729	-	15,729
Trusts & Foundations	-	213,200	213,200
Pay It Forward	-	158,642	158,642
Capital	-	196,446	196,446
Total 2020	1,260,538	568,288	1,828,826

The following support, in the form of gifts in kind and donated services, was received by the charity during the year: provision of alcohol and catering at events, legal advice, venue hire, refreshments for meetings. The value of this support is estimated to be £31,133 (2020: £47,675). In line with the accounting policy, this invaluable support has not been recorded within the Statement of Financial Activities as the donations are not considered to be material.

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 (continued)

5 Other grants and donations

	Unrestricted £	Restricted £	2021 £	2020 £
Government grants				
UK Arts council income	513,904	-	513,904	504,619
Cultural recovery grant	262,241	-	262,241	
Grants for furloughed employees	385,947	-	385,947	
Other donations	160,884	11,395	172,279	435,239
Total 2021	1,322,976	11,395	1,334,371	939,858
Total 2020	939,858		939,858	

6 Production income

	Unrestricted £	Restricted £	2021 £
Ticket revenue	147,559	-	147,559
Production support	-	138,333	138,333
Income from partnerships	35,159	-	35,159
Total 2021	182,718	138,333	321,051
	Unrestricted £	Restricted £	2020 £
Ticket revenue	1,909,613	-	1,909,613
Production support	-	187,500	187,500
Income from partnerships	45,000	-	45,000
Total 2020	1,954,613	187,500	2,142,113

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 (continued)

7 Income from trading activities

	Unrestricted £	2021 £	2020 £
Donmar Beyond	61,964	61,964	41,773
Royalties and sundry income	59,298	59,298	74,012
Rental income	32,430	32,430	
Income from subsidiary:			
Corporate sponsorship and membership	456,064	456,064	843,056
Theatre Tax Relief	30,870	30,870	395,807
Catering income	(4,950)	(4,950)	89,084
Other trading income	32,452	32,452	47,888
Total 2021	668,128	668,128	1,491,620
Total 2020	1,491,620	1,491,620	

All income from trading activities in the current and prior years was unrestricted.

Included in the above income from the subsidiary is theatre tax relief. This amount is receivable by the company as a result of Theatre Tax Relief recognised for the year.

8 Investment income

	2021 £	2020 £
Interest receivable	1,320	11,354

All income from investments for the current and preceding year was unrestricted.

9 Net expenditure during the year is stated after charging:

	2021 £	2020 £
Depreciation of tangible assets	128,014	130,670
Amortisation of intangible assets	30,337	30,336
Foreign exchange gains recognised	80,468	(34,218)
Operating lease rentals	95,748	90,978
Auditors' remuneration:		
- audit fees for current year audit	43,000	46,057
- Tax fees	13,705	10,440
- other services	4,550	4,400

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 (continued)

10 Total expenditure

	Staff costs £	Other direct costs £	Support costs £	Total 2021 £
Expenditure on raising funds:				
Fundraising	305,126	703,580	259,133	1,267,839
Charitable activities:				
Theatrical productions	1,243,330	262,019	519,598	2,024,947
Total 2021	1,548,456	965,599	778,731	3,292,786

Support costs	Cost of Raising funds £	Charitable activities £	Total 2021 £
Office overheads	259,133	466,438	725,571
Governance costs	-	53,160	53,160
Total 2021	259,133	519,598	778,731

Total expenditure for the year was £3,292,786 (2020 - £6,602,683), of which £1,786,687 was restricted (2020 - £518,433) and £1,506,099 was unrestricted (2020 - £6,084,250).

The staff costs that relate to staff working on productions is included within other direct costs.

	Staff costs £	Other direct costs £	Support costs £	Total 2020 £
Expenditure on raising funds:				
Fundraising	287,682	73,363	172,390	533,435
Charitable activities:				
Theatrical productions	1,854,825	3,781,453	432,970	6,069,248
Total 2020	2,142,507	3,854,816	605,360	6,602,683
Support costs		Cost of raising funds £	Charitable activities £	Total 2020 £
Office overheads		172,390	362,020	534,410
Governance costs		-	70,950	70,950
Total 2020		172,390	432,970	605,360

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 (continued)

11 Directors' emoluments

Appointing the Chief Executive and Artistic Director to the Board of Trustees is specifically permitted by the Company's articles.

One or more Directors has been paid remuneration or has received other benefits from an employment with the Donmar. The Executive Producer and Artistic Director only receive remuneration in respect of services they provide undertaking the roles of Executive Producer and Artistic Director respectively under their contracts of employment, and not in respect of their role as Directors.

The value of Directors' remuneration and other benefits was as follows:

	2021 £	2020 £
Josie Rourke, Previous Artistic Director		
Remuneration	-	7,488
Pension	-	449
Michael Longhurst, Current Artistic Director		
Remuneration	85,334	81,600
Pension	5,120	4,896
Henrietta Finch, Current Executive Director		
Remuneration	80,000	80,000
Pension	4,800	4,400
Total	175,254	178,833

During the year, the Artistic and Executive Director both received benefits in kind to the value of £1,419 (2020: £1,937).

During the year there were no Trustees who were remunerated or reimbursed for expenses.

Indemnity insurance was purchased in the year in respect of all the Trustees and Officers of the Company

Expenses are reimbursed to the Executive Producer and Artistic Director specifically in relation to their roles within the charity and not in relation to their position as trustees. All staff expenses are governed by a clear reimbursement policy. The amounts reimbursed during the year of 2020/21 for travel and additional meeting and event costs relating solely to activities for the company were:

	2021 £	2020 £
Michael Longhurst, Current Artistic Director	250	934
Henrietta Finch, Current Executive Director	35	535

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 (continued)

12 Employees

The average monthly number of employees during the year was:

	2021 £	2020 £
Permanent staff	38	41
In addition total staff working on productions	19	114

The nature of staff working on productions means that it is not possible to give a meaningful full time equivalent or average headcount as each production has bespoke requirements. The number shown is therefore the total number of production staff and performers that have been involved during the year.

Employment cost:	2021 £	2020 £
Wages and salaries	1,349,949	1,907,382
Social security costs	129,343	148,701
Other pension costs	69,164	86,424
Permanent staff total	1,548,456	2,142,507
<i>Staff working on productions</i>		
Wages and salaries	45,380	342,469
Social security costs	-	4,254
Other pension costs	285	7,702
Productions staff total	45,665	354,425
Total	1,594,121	2,496,932

The number of employees who have received remuneration amounting to more than £60,000 in either year was:

	2021 Number	2020 Number
£60,000 - £70,000	-	1
£80,000 - £90,000	2	2
Total remuneration of key management personnel including employers pension in the period was as follows:	£	£
	175,254	178,833

In the year there were redundancy benefits of £29,021 (2020: £30,411) accrued in the year to 6 individuals (2020: 1 individual). These benefits related to payment in lieu of notice of £Nil (2020: £9,603) and ex gratia severance pay £29,021 (including statutory amount) (2020: £20,808).

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 *(continued)*

13 Intangible fixed assets

Group and charity

	Website and box office £
<i>Cost</i>	
At 1 April 2020	193,629
	<hr/>
At 31 March 2021	193,629
	<hr/>
<i>Depreciation</i>	
At 1 April 2020	97,252
Charge for the year	30,337
	<hr/>
At 31 March 2021	127,589
	<hr/>
<i>Net book value</i>	
At 31 March 2021	66,040
	<hr/>
At 31 March 2020	96,377
	<hr/>

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 (continued)

14 Tangible fixed assets

	Leasehold and buildings £	Dryden Street £	IT equipment £	Fixtures, and fittings equipment £	Asset under construction £	Total £
Group and charity						
<i>Cost</i>						
At 1 April 2020	2,850,000	3,978,747	127,849	608,819	730,107	8,295,522
Additions	-	-	1,239	-	1,573,736	1,574,975
At 31 March 2021	2,850,000	3,978,747	129,088	608,819	2,303,843	9,870,497
<i>Depreciation</i>						
At 1 April 2020	242,319	440,243	117,586	526,174	-	1,326,322
Charge for the year	23,974	80,668	4,854	18,518	-	128,014
At 31 March 2021	266,293	520,911	1222,440	544,692	-	1,454,336
Net book value						
At 31 March 2021	2,583,707	3,457,836	6,648	64,127	2,303,843	8,416,161
At 31 March 2020	2,607,681	3,538,504	10,263	82,645	730,107	6,969,200

All fixed assets are used for charitable purposes.

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 (continued)

15 Fixed asset investments

	Shares in subsidiary undertakings £
Group	
<i>Cost and net book value</i>	
At 1 April 2020 and 31 March 2021	2
Charity	
<i>Cost and net book value</i>	
At 1 April 2020 and 31 March 2021	3

The following are subsidiaries of the company:

Company	Country of incorporation	Class of shares	Holding	Principal activity
Donmar in the West End Limited (Company number: 03976008)	England and Wales	Ordinary	100%	Theatre production
Donmar Productions Limited (Company number: 06730810)	England and Wales	Ordinary	100%	Theatre production
Donmar Films Limited (Company number: 07152156)	England and Wales	Ordinary	100%	Film production

The aggregate amount of capital and reserves and the results of these undertakings for year were as follows:

	Capital and reserves 2021 £	Profit for the year 2021 £
Donmar in the West End Limited	(5,693)	-
Donmar Films Limited	-	-
Donmar Productions Limited	-	520,402

Donmar Productions Limited was the only subsidiary to trade in the current or prior financial year; the results, which have been consolidated into the results of the Group, were as follows:

	2021 £	2020 £
Turnover (including other operating and interest income)	996,676	4,123,031
Cost of sales	(449,476)	(3,616,357)
Administrative expenses	(52,360)	(215,902)
Theatre tax relief	30,870	343,115
Corporation tax	-	(173,188)
Profit for the financial year	525,710	460,699
Amounted gifted to the charity	525,710	460,699

The above amounts include commission income from the parent charity of £504,379 (2020 - £3,139,201). Management charges from the parent charity of £131,284 (2020 - £687,097) and sundry expenses recharges from the parent charity of £27,087 (2020 - £122,354).

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 (continued)

16 Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade debtors	378,519	72,564	361,583	12,564
Other debtors	8,055	9,426	8,053	9,095
Amounts owed by subsidiary undertakings	200,711	-	200,711	3,535,696
Other taxes and social security	-	-	3,654,849	-
Prepayments and accrued income	276,554	984,984	276,580	249,139
	863,839	1,066,974	4,501,776	3,806,494

Amounts owed by subsidiary undertakings are interest free and repayable on demand.

17 Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	162,719	225,413	162,576	108,643
Amounts owed to subsidiary undertakings	-	-	2,751,776	1,898,998
Taxation and social security	60,134	77,090	60,134	77,090
Corporation tax	-	173,188	-	-
Other creditors	368,072	617,100	368,072	617,092
Accruals and deferred income	772,413	504,123	541,973	164,225
	1,363,338	1,596,914	3,884,531	2,866,048

Amounts owed to subsidiary undertakings are un-secured, interest free and repayable on demand.

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 (continued)

18 Deferred income

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Deferred income brought forward	374,117	959,084	85,442	551,979
Released in the period	(374,117)	(959,084)	(85,442)	(551,979)
Additional income deferred	243,677	374,117	28,360	85,442
	<u>243,677</u>	<u>374,117</u>	<u>28,360</u>	<u>85,442</u>

Deferred income is to be recognised within following periods:

Less than one year	<u>243,677</u>	<u>374,117</u>	<u>28,360</u>	<u>85,442</u>
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Deferred income for both the Group and Charity relates to fundraising income for events in the next financial year and in the prior year included ticket income for productions that happened this year.

19 Provision for liabilities

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Provisions brought forward	26,400	-	26,400	-
Provided for in the period	-	26,400	-	26,400
Released to the statement of financial activities	-	-	-	-
	<u>26,400</u>	<u>26,400</u>	<u>26,400</u>	<u>26,400</u>

The provision relates to the potential penalty to be incurred by the Charity in relation to the payment of gift aid declarations.

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 (continued)

20 General and restricted funds

Group	Balance 1 April 2020 £	Income £	Expenditure £	Transfers between funds £	Taxation £	Balance 31 March 2021 £
Fixed asset funds:						
Dryden Street	3,538,504	-	(80,668)	-	-	3,457,836
Theatre lease fund	2,607,681	-	(23,974)	-	-	2,583,707
Theatre redevelopment assets	730,107	1,573,736	-	-	-	2,303,843
Fixed asset fund	189,285	1,239	(53,709)	-	-	136,815
Total fixed assets funds	7,065,577	1,574,975	(158,351)	-	-	8,482,201
Designated funds:						
Theatre redevelopment fund	2,100,000	-	-	(2,100,000)	-	-
COVID recovery fund	-	-	-	1,650,000	-	1,650,000
Building maintenance fund	250,000	-	-	-	-	250,000
Creative investment fund	100,000	-	-	100,000	-	200,000
Total designated funds	2,450,000	-	-	(350,000)	-	2,100,000
Operational risk reserve	905,359	2,273,941	(1,347,748)	350,000	-	2,181,552
Total unrestricted funds	10,420,936	3,848,916	(1,506,099)	-	-	12,763,753
Restricted funds:						
Directors programme	8,916	-	-	(8,916)	-	-
Resident Associate Director	-	20,000	(21,090)	18,916	-	17,826
Production support	72,500	138,333	(75,833)	-	-	135,000
Resident Design Assistant	7,000	5,500	-	-	-	12,500
Pay it forward funds	123,476	23,581	(729)	-	-	146,328
Capital project	215,994	1,760,667	(1,578,730)	-	-	397,931
T&F training	10,000	-	-	(10,000)	-	-
Pathways (Discover)	7,700	-	(6,833)	-	-	867
Donmar Local	-	31,395	(9,275)	-	-	22,120
Donmar Discover Programme	-	125,000	(89,197)	-	-	35,803
Writers Group	-	5,000	(5,000)	-	-	-
NHS tickets	-	20,833	-	-	-	20,833
Total restricted funds	445,586	2,130,309	(1,786,687)	-	-	789,208
Total funds	10,866,522	5,979,225	(3,292,786)	-	-	13,552,961

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 (continued)

20 General and restricted funds (continued)

Charity	Balance 1 April 2020 £	Income £	Expenditure £	Transfers between funds £	Balance 31 March 2021 £
Fixed asset funds:					
Dryden Street	3,538,504	-	(80,668)	-	3,457,836
Theatre lease fund	2,607,681	-	(23,974)	-	2,583,707
Theatre redevelopment assets	730,107	1,573,736	-	-	2,303,843
Fixed asset fund	189,285	1,239	(53,709)	-	136,815
Total fixed assets funds	7,065,577	1,574,975	(158,351)	-	8,482,201
Designated funds:					
Theatre redevelopment fund	2,100,000	-	-	(2,100,000)	-
COVID recovery fund	-	-	-	1,650,000	1,650,000
Building maintenance fund	250,000	-	-	-	250,000
Creative investment fund	100,000	-	-	100,000	200,000
Total designated funds	2,450,000	-	-	(350,000)	2,100,000
Operational risk reserve	880,244	2,464,022	(1,461,034)	350,000	2,233,232
Total unrestricted funds	10,395,821	4,038,997	(1,619,385)	-	12,815,433
Restricted funds:					
Directors programme	8,916	-	-	(8,916)	-
Resident Associate Director	-	20,000	(21,090)	8,916	7,826
Production support	72,500	130,000	(67,500)	-	135,000
Resident Design Assistant	7,000	5,500	-	-	12,500
Pay it forward funds	123,476	23,581	(729)	-	146,328
Capital project	215,994	1,760,667	(1,578,730)	-	397,931
T&F training	10,000	-	-	-	10,000
Pathways (Discover)	7,700	-	(6,833)	-	867
Donmar Local	-	31,395	(9,275)	-	22,120
Donmar Discover Programme	-	125,000	(89,197)	-	35,803
Writers Group	-	5,000	(5,000)	-	-
Total restricted funds	445,586	2,101,143	(1,778,354)	-	768,375
Total funds	10,841,407	6,140,140	(3,397,739)	-	13,583,808

Where funds are restricted to capital development and expenditure has been capitalised a transfer is made from restricted to designated funds at the point the expense is incurred.

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 (continued)

20 General and restricted funds (continued)

Tangible fixed asset funds

The Dryden Street fund, Theatre Lease fund, Theatre Redevelopment Asset fund, and Fixed Asset fund are together equal to the value of the group's fixed assets.

- **Dryden Street fund, £3.5m:** The net book value of the long lease of 3 Dryden Street, the charity's offices, and the capitalised net book value of the conversion of the building to make it fit for purpose.
- **Theatre Lease fund, £2.6m:** The netbook value of the theatre lease.
- **Theatre Redevelopment Asset fund, £2.3m:** The value of capital works carried out in redeveloping the theatre and box office system.
- **Fixed Asset fund, £0.1m:** The net book value of IT equipment and fixtures, fittings and equipment.

Designated funds

The Trustees have designated funds as follows:

- **Theatre Redevelopment fund:** This was the redevelopment fund that the Donmar has set aside, generated through strong revenue performance and careful cost management, to support the redevelopment of the theatre and the costs of the off-site year during the capital works. The fund has been reduced to zero, it is considered that the current scope of building redevelopment can entirely be funded through fundraising of which £0.8m has already been raised.
- **COVID recovery fund** The fund was set up to support the Theatre through the Covid pandemic to support any operational losses and to allow for work to continue that may be loss leading but would allow the Donmar to continue to deliver its artistic vision.
- **Building Maintenance fund:** This fund covers costs in relation to the maintenance of the theatre and the rehearsal, office and education spaces in Dryden Street. It is for emergency repairs and for dealing with unforeseen developments. Parts of the theatre infrastructure are over 25 years old and, ahead of redevelopment, this fund has been built to cover the increasing occurrence of required works.
- **Creative Investment fund:** The creative investment fund is designated to enable a quick response to investment opportunities outside of planned activity, aimed at extending the Charity's reach, as well as maintaining its goals for innovation and sustainability.

Operational Risk Reserve

The charity operates a policy of requiring 22% of next year's budgeted income to be held in the general fund, with a minimum of £1.25m. This value is set to reflect the potential volatility in charity's key income streams: fundraising, box office and public sector funding (Arts Council NPO grant and Theatre Tax Relief).

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 *(continued)*

20 General and restricted funds *(continued)*

Restricted funds

Directors Programme fund represents a donation which may only be used in connection with the costs associated with paying the Donmar's Resident Assistant Director. This fund has been renamed Resident Associate Director and the remaining funds transferred from the Directors Programme to the new Fund.

Production Support funds are sponsorships received which may only be used in connection with costs on productions specified in the terms of the funding.

Resident Design Assistant (RDA) fund represents donations received which are to be used solely in connection with the RDA position for Donmar productions.

Pay It Forward funds are donations received to be used for the Pay It Forward scheme where donations are used to cover ticket costs for Donmar Productions for anyone up to the age of 25.

Capital Project fund are donations received to support the theatre redevelopment project.

T&F Training fund is for a donation received towards training for the Development team.

Other education and access funds (including Support for Pathways (Discover), Donmar local and Donmar Discover Programme) are donations received in relation to specific educational elements of productions and may only be used in connection with costs arising on these.

Writers Group fund is funds raised toward commissioning work from younger writers.

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 (continued)

20 General and restricted funds (continued)

Group	Balance 1 April 2019 £	Income £	Expenditure £	Transfers between funds £	Taxation £	Balance 31 March 2020 £
Fixed asset funds:						
Dryden Street	4,564,216	-	(80,669)	(945,043)	-	3,538,504
Theatre lease fund	1,686,611	-	(23,975)	945,045	-	2,607,681
Theatre redevelopment assets	764,743	-	-	(34,636)	-	730,107
Fixed asset fund	79,054	-	(56,362)	166,593	-	189,285
Total fixed assets funds	7,094,624	-	(161,006)	131,959	-	7,065,577
Designated funds:						
Theatre redevelopment fund	2,100,000	-	-	-	-	2,100,000
Building maintenance fund	250,000	-	-	-	-	250,000
Creative investment fund	100,000	-	-	-	-	100,000
Total designated funds	2,450,000	-	-	-	-	2,450,000
Operational risk reserve	1,475,767	5,657,983	(5,923,244)	(131,959)	(173,188)	905,359
Total unrestricted funds	11,020,391	5,657,983	(6,084,250)	-	(173,188)	10,420,936
Restricted funds:						
Directors programme	19,999	21,000	(32,083)	-	-	8,916
Junior Lighting Tech Salary	2,667	4,000	(6,667)	-	-	-
Production support	-	277,500	(205,000)	-	-	72,500
Resident Design Assistant	4,000	3,000	-	-	-	7,000
Working Title	14,825	-	(14,825)	-	-	-
Pay it forward funds	13,801	158,642	(48,967)	-	-	123,476
Capital project	142,939	196,446	(123,391)	-	-	215,994
T&F training	10,000	-	-	-	-	10,000
Pathways (Discover)	-	7,700	-	-	-	7,700
Donmar Local	-	3,000	(3,000)	-	-	-
Donmar Discover Programme	-	80,000	(80,000)	-	-	-
Access	-	1,000	(1,000)	-	-	-
Other Production support	-	3,500	(3,500)	-	-	-
Total restricted funds	208,231	755,788	(518,433)	-	-	445,586
Total funds	11,228,622	6,413,771	(6,602,683)	-	(173,188)	10,866,522

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 (continued)

20 General and restricted funds (continued)

Charity	Balance 1 April 2019 £	Income £	Expenditure £	Transfers between funds £	Balance 31 March 2020 £
Fixed asset funds:					
Dryden Street	4,564,216	-	(80,669)	(945,043)	3,538,504
Theatre lease fund	1,686,611	-	(23,975)	945,045	2,607,681
Theatre redevelopment assets	764,743	-	-	(34,636)	730,107
Fixed asset fund	79,054	-	(56,362)	166,593	189,285
Total fixed assets funds	7,094,624	-	(161,006)	131,959	7,065,577
Designated funds:					
Theatre redevelopment fund	2,100,000	-	-	-	2,100,000
Building maintenance fund	250,000	-	-	-	250,000
Creative investment fund	100,000	-	-	-	100,000
Total designated funds	2,450,000	-	-	-	2,450,000
Operational risk reserve	1,456,316	5,548,497	(5,992,610)	(131,959)	880,224
Total unrestricted funds	11,000,940	5,548,497	(6,153,616)	-	10,395,821
Restricted funds:					
Directors programme	19,999	21,000	(32,083)	-	8,916
Junior Lighting Tech Salary	2,667	4,000	(6,667)	-	-
Production support	-	277,500	(205,000)	-	72,500
Resident Design Assistant	4,000	3,000	-	-	7,000
Working Title	14,825	-	(14,825)	-	-
Pay it forward funds	13,801	158,642	(48,967)	-	123,476
Capital project	142,939	196,446	(123,391)	-	215,994
T&F training	10,000	-	-	-	10,000
Pathways (Discover)	-	7,700	-	-	7,700
Donmar Local	-	3,000	(3,000)	-	-
Donmar Discover Programme	-	80,000	(80,000)	-	-
Access	-	1,000	(1,000)	-	-
Other Production support	-	3,500	(3,500)	-	-
Total restricted funds	208,231	755,788	(518,433)	-	445,586
Total funds	11,209,171	6,304,285	(6,672,049)	-	10,841,407

Donmar Warehouse Projects Limited

Notes to the accounts
for the year ended 31 March 2021 (continued)

21 Analysis of net assets between funds

Group	General funds £	Designated incl fixed asset funds £	Restricted funds £	2021 £
Fixed assets	2	8,482,201	-	8,482,203
Current assets	3,571,288	2,100,000	789,208	6,460,496
Current liabilities	(1,363,338)	-	-	(1,363,338)
Provisions	(26,400)	-	-	(26,400)
	<u>2,181,552</u>	<u>10,582,201</u>	<u>789,208</u>	<u>13,552,961</u>
Charity	General funds £	Designated incl fixed asset funds £	Restricted funds £	2021 £
Fixed assets	3	8,482,201	-	8,482,204
Current assets	6,144,160	2,100,000	768,375	9,012,535
Current liabilities	(3,884,531)	-	-	(3,884,531)
Provisions	(26,400)	-	-	(26,400)
	<u>2,233,232</u>	<u>10,582,201</u>	<u>768,375</u>	<u>13,583,808</u>
Group	General funds £	Designated incl fixed asset funds £	Restricted funds £	2020 £
Fixed assets	2	7,065,577	-	7,065,579
Current assets	2,528,671	2,450,000	445,586	5,424,257
Current liabilities	(1,596,914)	-	-	(1,596,914)
Provisions	(26,400)	-	-	(26,400)
	<u>905,359</u>	<u>9,515,777</u>	<u>445,586</u>	<u>10,866,522</u>
Charity	General funds £	Designated incl fixed asset funds £	Restricted funds £	2020 £
Fixed assets	3	7,065,577	-	7,065,580
Current assets	3,772,689	2,450,000	445,586	6,668,275
Current liabilities	(2,866,048)	-	-	(2,866,048)
Provisions	(26,400)	-	-	(26,400)
	<u>880,244</u>	<u>9,515,577</u>	<u>445,586</u>	<u>10,841,407</u>

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 (continued)

22 Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Short-term deposits held	5,596,322	4,351,998	4,510,242	2,861,446
Cash balances	335	335	335	335
	<u>5,596,657</u>	<u>4,352,333</u>	<u>4,510,759</u>	<u>2,861,781</u>

All cash at bank is held in deposit accounts and is immediately liquid. The Charity holds no investments other than the shareholding of its subsidiaries.

23 Pension and other post-retirement benefit commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund held by Friends Provident. The pension cost charge represents contributions payable by the group to the fund.

	2021 £	2020 £
Contributions payable for permanent staff	69,164	86,424
Contributions payable for staff working on productions	285	7,702
	<u>69,449</u>	<u>94,126</u>
Total contributions payable by the group for the year	<u>69,449</u>	<u>94,126</u>

Donmar Warehouse Projects Limited

Notes to the accounts
for the year ended 31 March 2021 (*continued*)

24 Related party disclosures

At the year end, the company was owed £5,298 (2020 - £5,298) by Donmar in the West End Limited.

During the year the company received £Nil (2020 - £387,564) from The American Friends of The Donmar Theatre Inc, a company registered in the United States. This was due to the Donmar choosing to apply for a donation during the previous year, the granting of which was subject to the discretion of The American Friends of The Donmar Theatre Inc's directors. At the year end The American Friends of The Donmar Theatre Inc owed the company £Nil (2020 - £Nil). Lord Browne of Madingley was and Adam Kenwright is a director of both companies.

During the year the company recharged costs of £809,451 (2020 - £809,451) to Donmar Productions Limited ("DPL") and paid DPL £501,111 (2020 - £3,139,201) to produce certain shows. DPL also gift aided profits of £460,699 (2020 - Nil) to the company. At the end of the year the company owed £2,656,253 to its wholly owned subsidiary Donmar Productions Limited (2020 - £1,898,998) and was owed £3,606,403 by its wholly owned subsidiary Donmar Productions Limited (2020 - £3,535,696).

All of the above transactions were conducted at arm's length and permission is granted for them in the company's memorandum and articles.

The charity received an aggregate amount of £310,000 in donations from trustees during the year (2020 - £123,870). Included in this amount are restricted donations of £310,000 (2020 - £86,120) towards Productions £50,000 (2020 - £40,000) and Capital £260,000 (2020 - £45,000).

There were no other related party transactions.

Donmar Warehouse Projects Limited

Notes to the accounts for the year ended 31 March 2021 (continued)

25 Operating lease commitments

At 31 March 2021 the Company had annual commitments under non-cancellable operating leases as follows:

	2021 £	2020 £
Land and buildings		
Expiry date:		
Within one year	48,880	48,880
Between one and five years	133,890	157,770
Due after five years	7,068,630	7,093,630
	<hr/>	<hr/>
	7,251,400	7,300,280
	<hr/>	<hr/>
Equipment		
Expiry date:		
Within one year	23,388	21,439
Between one and five years	86,568	8,138
Due after five years	-	-
	<hr/>	<hr/>
	109,956	29,577
	<hr/>	<hr/>
	7,361,356	7,329,857
	<hr/>	<hr/>

26 Transactions as an agent

During the year the company sold tickets on behalf of The Gielgud Theatre. As at 31 March 2021 £Nil (2020: £41,679) of tickets had been sold, £Nil (2020: £45,012) has been paid over to The Gielgud Theatre. In total £Nil (2020: £4,604) will be retained as booking fee income.

The company also sold tickets on behalf of Delfont Mackintosh. As at 31 March 2021 £Nil (2020: £8,950) of tickets had been sold, none (2020: £8,870) of which has already been paid over to Delfont Mackintosh. £Nil (2020: £1,703) was retained as booking fee income.

There are no balances outstanding at the year end in relation to the above transactions.