

BATTERSEA ARTS CENTRE

Battersea Arts Centre

**Annual Report and Financial
Statements**

31 March 2022

Company Limited by Guarantee
Registration Number
01569115 (England and Wales)

Charity Registration Number
282857



Supported by
**ARTS COUNCIL
ENGLAND**



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Reference and administrative information

Trustees	David Bryan (Chair BAC Board of Management) Christopher Cabot Cllr. Kim Caddy Rachel Coldicutt Marsha De Cordova Liz Fosbury (Chair Finance Group) Patrick Harrison (Chair Enterprises Board) Henrietta Imoreh Sunita Pandya Justin Shinebourne Bruce Thompson Susie Thornberry
Chief Executive Officer	Tarek Iskander
Company secretary	Amy Vaughan
Charity registration number	282857
Company registration number	01569115
Registered address	Battersea Arts Centre Lavender Hill London SW11 5TN
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds Bank 25 Gresham Street, London EC2V 7HN

Reference and administrative information

Solicitors	Osborne Clarke One London Wall Barbican London EC2Y 5EB
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Chair's and Artistic Director & CEO's review of 21/22

Chair's Review

2021/22 was a unique year as we moved forward from the severe impact of Covid-19 to look at how to bring back a live programme and serve our communities. The year began with the building open as a Covid-19 NHS vaccine centre, and ended with premiering international work for a full capacity in-person audience. It was a huge year of transition and challenges, but also great successes, including:

- Delivery of artistic work in live, digital and hybrid forms. This included two full seasons at Battersea Arts Centre with performances from Lucy McCormick, James Cousins Company, Rimini Protokoll and Hofesh Schechter. Live comedy continued throughout the year in a variety of spaces, and BAC's Beatbox Academy resumed a National tour of award-winning show *Frankenstein: How To Make A Monster*.
- BAC's Pay What You Can ticketing model premiered allowing the socio-economic barrier to access to art to be tackled. This had incredible success particularly with the pantomime *Sleeping Beauty & The Beast* where the scheme enabled local families to engage with a festive event despite the financial difficulties many face.
- Financial resilience through BAC Enterprises. This organisation facilitated increased security as a precarious time with film hires and TV recordings contributing significant income which has been a new income generator for the organisation alongside weddings and hires.
- Continued work to support the local community and, in particular, young people in the community. The Beatbox Academy returned to the building and a new BAC Dance Academy has brought a new group of young people into the building each week. Commissions with local artists and alumni of the Agency project continued, and local volunteers continue to contribute to the Community Garden.

Across the UK, BAC continued to deliver sector-leading work such as:

- ◆ **Horizon** - Together with a consortium made up of Fierce, GIFT, MAYK, Transform, and Dance4, BAC led on the new Horizon Showcase, England's first national showcase at the Edinburgh festival. 2021 was a digital showcase and featured artists such as Mandla Rae, Brownston Abbey, Chinese Arts Now, Botis Seva and Seeta Patel.
- ◆ **The Agency** – BAC and Contact Theatre's programme to support the development of young people's entrepreneurial ideas. 21/22 was the first of five years of confirmed funding from National Lottery Community Fund enabling its continuation in London and Manchester, as well as facilitating an expansion to new locations across the UK.
- ◆ **Moving Roots** (funded by Esmée Fairbairn Foundation and Garfield Weston Foundation) – working with partners across the UK to produce co-created theatre productions, with the first production *Rent Party* touring to locations across the country.
- ◆ **Co-creating Change Network** (funded by Calouste Gulbenkian Foundation, Paul Hamlyn Foundation and Arts Council England) which also puts co-creation at its centre

Chair's and Artistic Director & CEO's review of 21/22

Chair's Review (continued)

by partnering with creative practitioners to try to solve communities' most challenging problems, from debt to sustainable fashion. This project culminated in a five-day conference in BAC's Grand Hall.

Despite the challenges of the pandemic, BAC closes 2021/22 in a financially stable position. There are still great challenges ahead and much to achieve – continuing to ensure our workforce and programme is truly representative of the community that we're here to serve; and focussing on the climate emergency and how our Grade II listed building can be invested in for a sustainable future.

I would like to express my sincere thanks to all the trustees and staff of Battersea Arts Centre for their hard work and commitment over the last 12 months. Renewed thanks go to all our funders and supports, with particular thanks to Arts Council England for their ongoing support of us as a National Portfolio Organisation and to the Department for Digital, Culture, Media & Sport for their support via the Culture Recovery Fund.

David Bryan, Chair

Chair's and Artistic Director & CEO's review of 21/22

Artistic Director & CEO's Review

I am delighted to report that BAC has been navigating the stormy waters of the pandemic in relatively well. These accounts tell a story of a year that was incredibly difficult for the organisation, but through which the team continued to deliver effectively across all fronts. To have emerged from this period in robust financial health is a testament to the collective efforts that made this happen.

In 2021/22 BAC's story is of delivery in the most demanding of environments. Artistically we began the year with ambitious digital seasons of work that supported artists, and then reopened our building with a massive immersive dance piece *We Are As Gods* that drew large audiences to our spaces. Our programme continued to show diversity, variety and ambition, and we continued to bring international work to our stages (like Germany's *Rimini Protokoll*) despite the logistical challenges. And sticking to its deep-held values of inclusion and radical thinking, we became the largest venue in the UK to run an almost-universal Pay What You Can scheme for all our work.

The work in our Communities was also undeterred. We launched a new Hip Hop Dance Academy, to complement our world-touring Beatbox Academy. And our much lauded (and copied) young person's creative entrepreneurial programme welcomed new cohorts to its ranks, and we hosted the successful Homegrown and Outrageous Behaviour festivals for young people. Moreover, our community garden opened to residents, creating a safe and welcoming space for people to come together and engage in collective activities.

Nationally we progressed the significant Co-Creating Change Network to its natural conclusion, and maintained momentum with Moving Roots, a national collaboration to test models for touring co-created work. As in previous years, BAC's impact has far outstripped both its walls and its relative modest budget.

No doubt there are choppy waters ahead, but BAC's deeply ingrained strengths in risk-taking and innovative approaches, and close partner relationships, means we can look to the future with confidence.

Tarek Iskander, Artistic Director & CEO

The Trustees, who are also referred to as the Board of Management and are the directors for the purposes of company law, present their report together with the financial statements of Battersea Arts Centre for the year ended 31 March 2022. The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purpose of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 30 to 33 of the attached financial statements and comply with the charitable company's memorandum and articles of association, applicable laws, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

About Battersea Arts Centre

Battersea Arts Centre is a home for radical artistic ideas. We believe in the power of performance and collective imagination to spark positive change.

We host welcoming and inclusive spaces where communities, artists and audiences can connect and be creative, and we give people the resources to develop artistic ideas that are bold and unconventional.

All shows at Battersea Arts Centre have been available on a Pay What You Can basis in 2022, as part of our ongoing commitment to finding new ways to break down barriers to engagement.

We thank all our funders and supporters. Special note of thanks goes to Arts Council England, who support us as a National Portfolio Organisation and who have provided additional support in 2021 via the Culture Recovery Fund, which distributed funds from the Department of Digital, Culture, Media and Sport. A special note of thanks also goes to our landlord Wandsworth Borough Council.

Battersea Arts Centre's Purpose

Vision: BAC is a home for radical artistic ideas. We believe in the power of performance and collective imagination to spark positive change: Not for you, not for me, but for us.

Mission

- ◆ We host welcoming and inclusive spaces where communities, artists and audiences can connect, collaborate, and be creative.
- ◆ We give people the resources to develop artistic ideas and creative practices that are bold and unconventional.
- ◆ We share and amplify ground-breaking performance and programmes, locally, nationally and internationally.

OBJECTIVES AND ACTIVITIES (continued)

Principles

- ◆ We set standards for how we interact with people, so that everyone is treated with care and respect.
- ◆ We actively work to break down barriers to access and inclusion in the performing arts.
- ◆ We are consistent and organised in the way we do things, so that creativity can thrive.
- ◆ We consider deeply the social and environmental impact of our actions.
- ◆ We make time to reflect and learn from everything we do.

Our main aims in achieving this purpose are listed below, along with the strategies that were adopted to achieve them:

Developing and staging innovative and engaging theatre

- ◆ Supporting live theatre that is boundary-breaking and creates new hybrids. To develop work where the relationship between artist and audience is authentic, open and honest, allowing people to find space for themselves and their imaginations. That is an agent for change and asks questions of our world and space.
- ◆ Giving artists a platform to develop work.
- ◆ Cultivating and supporting the creative relationship between producers and artists, promoting the role of the artist in society locally, nationally, internationally and virtually, and creating an international and visionary family of theatre-makers resident at Battersea Arts Centre.

Supporting people's creativity, confidence and developing the skills and capability to make their ideas a reality

- ◆ Working with local young people in programmes facilitating their development of ideas and giving platforms to share and showcase their skills and capability.
- ◆ Integrating our participation and artist development programmes to ensure that artistic capability is shared and a new generation of artists created.
- ◆ Encouraging attendance by new participants, audiences and artists from a diverse range of backgrounds through proactive outreach, partnership working and maintaining a varied programme.

OBJECTIVES AND ACTIVITIES (continued)

Principles (continued)

Extending the reach and impact of our work to varied audiences and beneficiaries

- ◆ Touring our productions to a wide range of national and international audiences and sharing work online.
- ◆ Delivering projects in collaboration with national partners to explore creative ways of working with their local community and sharing our models of working through co-operation with national organisations and collaborative programmes of mentoring, skills sharing and support.
- ◆ Delivering ground-breaking artistic work digitally and via television to reach people across the UK and the globe.

Create a welcoming environment in which the local community and diverse visitors can come together

- ◆ Celebrating the local heritage represented by our Grade II* listed old town hall.
- ◆ Improving access to our building and programming accessible performances and events that are signed, captioned or relaxed – and building on our commitments as a Relaxed Venue.

STRATEGIC REVIEW OF THE YEAR

Battersea Arts Centre's Cultural and Creative Programme

Whilst some of the challenges presented by the Coronavirus pandemic remained, Battersea Arts Centre (BAC) had a significant year in relation to its charitable objective to advance and promote education of the arts and heritage for the benefit of the public locally, nationally and internationally.

Opportunities for live programming began to grow following a severely limited year in 20/21 – 217 performance were delivered; artists and freelancers continued to be supported; and activities with our local community continued to take place.

STRATEGIC REVIEW OF THE YEAR (continued)

Live Programme

With social distancing restrictions eased, the live programme took place in a hybrid form across the year with both in live and digital formats, this included:

- ◆ The *Wild Times* Spring 2021 season – which launched BAC's new Pay What You Can ticketing scheme designed to allow as many people as possible to engage with our live programme through aiming to remove socio-economic barriers to attendance. This season included live performances such as Lucy McCormick's *Life:LIVE!* In the Grand Hall alongside programming acclaimed stage works being adapted for screen for audiences such as Selina Thompson's *salt: dispersed* and Hofesh Schechter's *POLITICAL MOTHER: The Final Cut*. This season also saw local community members involved in the Agency project present *Free Up Fest*; an outdoor festival celebrating creativity in the local area.
- ◆ Live comedy continued as part of the programme both in the outside Courtyard Theatre and as social distancing rules were relaxed in the Council Chamber and Members Bar spaces. This saw names such as Ivo Graham, Shaparak Khorsandi and Jordan Brookes test new work-in-progress material for BAC's audiences.
- ◆ The *Overcome* Autumn 2021 season which saw us reopen our building to full capacity. Care was taken to still offer a number socially distanced performances for audiences as the effects of the pandemic were still present. This season saw a number of exciting commissions in the building including a full building takeover by James Cousins company for *We Are As Gods* where a company of 9 dancers were joined by 73 young performers and local residents to create an immersive show across the building. We also presented *Little Wimmin* by Figz N Wigs, *Political Mother Unplugged* by Hofesh Schechter, *The Body Remembers* by Heather Agyepong & FUEL, and *Endurance* by Jennifer Jackson & Simon Carroll Jones.
- ◆ The *Overcome* season also saw the return of festive programming for our audiences. This included *Sleeping Beauty & The Beast* by Sleeping Trees, Jonny Woo's *All Star Christmas Cabaret*, and *An Extra Plate* with Mark Thomas. We saw enormously rewarding results from offering a pantomime suitable for young children (4+) with the Pay What You Can Scheme in place; this allowed us to stay financially accessible to families and parents despite the economic challenges posed by the pandemic.
- ◆ The Spring 2022 season opened with the UK premiere of *Uncanny Valley* by Rimini Protokoll Company. This was an exciting moment demonstrating the ability for international work to return to BAC after the restrictions of the pandemic.

STRATEGIC REVIEW OF THE YEAR (continued)

Live Programme (continued)

- ◆ After being on pause due to the pandemic, BAC's Beatbox Academy's production of *Frankenstein: How To Make A Monster* restarted its National tour opening to a sold out performance at Hackney Empire before continuing to perform across the UK over Summer 2022.
- ◆ Our commitment to be a Relaxed Venue remained a critical part of the organisation's aim to ensure the building and performances are as accessible as possible.

Community Programmes

BAC also continued delivering activities with the local community – hearing the needs of the community as the Pandemic continued and as the building was able to reopen. These included:

- ◆ Hosting Wandsworth's Vaccination Hub from February 2021 to August 2021 through which over 75,000 jabs were given to local residents. BAC created artist video commissions to be shown in the building during vaccination centre opening times, which were released online and on our social media and included artists such as Inua Ellams, Rosie Jones and Scottee.
- ◆ BAC's Community Garden – with the garden opened up for the community through a series of gardening workshops with partners Permablitz – this offered safe outdoor social activities for local people during the pandemic, and now is maintained with the help of local volunteers.
- ◆ The BAC Beatbox Academy returned from being online in the pandemic to taking place in the building. Participants also joined for the development of new shows *Pied Piper & The Silent City* and *The Last Man*.
- ◆ BAC launched its new Dance Academy for local residents aged 11 – 19. The launch of this new scheme was successful and it has now formed part of our community offer moving forwards.
- ◆ Continuing to deliver BAC's co-working space, the Scratch Hub for local entrepreneurs.

National Programmes

BAC also continued to be a sector-leader by delivering national projects with partners across the UK. These included:

- ◆ **Horizon** – Together with a consortium made up of Fierce, GIFT, MAYK, Transform, and Dance4, BAC led on the new Horizon Showcase, England's first national showcase at the Edinburgh festival. 2021 featured artists such as Mandla Rae, Brownton Abbey, Chinese Arts Now, Botis Seva and Seeta Patel. Due to the restrictions of the pandemic, the

STRATEGIC REVIEW OF THE YEAR (continued)

National Programmes(continued)

showcase was entirely digital in 2021 however it laid the groundwork for the live showcases which has been a great success in 2022.

- ◆ **The Agency** – a partnership with Contact Theatre Manchester, The Agency supports young people aged 15-25 from local housing estates to create their own social enterprises that benefit their communities. This was the first year of new funding secured from National Lottery Community Fund which has facilitated delivery of the project for the next five years.
- ◆ **Co-Creating Change Network** – BAC has its final year leading on the Co-Creating Change Network. The overall aim of the network is to work together to advocate for a better understanding and appreciation of co-created practice, both in the arts sector and beyond. Six Growth and replication commissions for the programme were awarded to organisations in 20/21, including Theatre Royal Plymouth, Rising Arts Agency Bristol, Restoke in Stoke-on-Trent and Arts & Homelessness International. These organisations worked with the Young Foundation to capture the methodology of their practice and explore ways it could be applied in new settings. The project culminated with hybrid in person and digital conference to discuss co-created practice held in BAC's Grand Hall.
- ◆ **Moving Roots** –Moving Roots is a programme which pioneers taking co-created projects on tour to areas where there is limited existing cultural infrastructure. In 2021/22 the project developed and toured co-created show *Rent Party* with artist Darren Pritchard which performed in BAC's Grand Hall as part of the tour.

Risk Management

Battersea Arts Centre's Risk Register is one of the key documents in our organisational business plan. This is an essential tool for the senior management team – made up of BAC's Team Heads and Shapers, who meet fortnightly to strategically manage the organisation, oversee organisational finances, assess risks and measure progress against our objectives.

This Risk Register captures the biggest risks facing the organisation across a variety of areas. On the basis that all the risks captured in this Risk Register are business critical, it then uses a traffic-light system of Red, Amber, Green to assess the likelihood of each risk becoming realised. Each risk has a series of mitigating actions, and a senior person within the team allocated to it who is responsible for carrying out these actions and monitoring that risk. This risk register goes to Battersea Arts Centre's Board of Management at quarterly Board meetings.

In addition, Trustees oversee the risk management strategy that comprises:

- ◆ Review of the risks which the Charity may face;
- ◆ Establishment of systems and procedures to mitigate risks identified; and
- ◆ Implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.

STRATEGIC REVIEW OF THE YEAR (continued)

Risk Management (continued)

Lower impact, project specific risks are monitored by Project Managers and Shapers through their Project Objectives and Risks document, which is reviewed and updated quarterly.

The main risks being managed concern the ongoing financial health of the organisation and programme risks, the key areas are:

- ◆ **Financial Climate and Impact on Fundraising** – It is anticipated that there will be potential significant impact in Individual and Corporate giving due to inflation, energy prices, Brexit and the Russia-Ukraine war. There will likely be higher competition for funding with less funding available in London. National Portfolio Organisations have reapplied for funding and London based NPOs may see a reduction in funds in 2023-26.
- ◆ **Income generation from commercial activities** – Income from the events and catering business remains essential to the organisation's long-term financial stability. Again, the financial climate may lead to a reduction in business. However, activity since the pandemic has shown a bounce-back in interest in our spaces with significant growth in filming activities.
- ◆ **Sustainability and Building Maintenance** – BAC is committed to ambitious targets to address the climate emergency. BAC is a Grade II listed building which renders some measures challenging. Maintaining and upgrading the infrastructure of the building is a key priority as the building is a key asset for the organisation. Fundraising for future capital works and scoping the works to incorporate sustainability will be essential activity moving forwards. Volatile energy prices put further pressure on the importance of maintaining the building to the highest level to reduce unnecessary exposure to increased prices.

FINANCIAL REVIEW

The Charity's total net expenditure, including the results of its trading subsidiary, BAC Enterprises Limited, for the year ended 31 March 2022 amounted to £0.44m (2021 – net expenditure of £1.1m). With the continuation of Covid-19 restriction having an impact on both the trading and charitable activities the Board of Trustees continued to maintain a revised and agile governance arrangement to ensure a responsive and focussed strategy to the continuingly challenging circumstances, including navigating the reopening of the building in short periods and then in full to the public.

In 2021/22 the Charity implemented new processes and systems in order to have real time analysis to manage cash flow, risk analysis and financial management, and produces all reporting for review monthly to present to the Finance and Governance Committee, and the Board of Trustees, who of course continue to discharge their statutory responsibilities as ultimate decision makers.

FINANCIAL REVIEW (continued)

All Financial policies were reviewed and signed off by the Finance and Governance Committee in year including Banking, Investment, Controls and Due Diligence.

In 2020/21 Covid-19 Support enabled the charity to reinflate the unrestricted reserves and the Board agreed levels of £750k unrestricted and £200 of designated capital reserves. Throughout the 2021/22 financial year at no point did the charity hold below the reserves target authorised by the Board of Trustees.

The 2021/22 financial year presented significant challenges to the Charity across all areas of its trading and delivery, but robust financial controls and quality of financial information have enabled the Charity to mitigate risk and continue to achieve against financial targets and retain a strong level of reserves appropriate to operate as a going concern.

Income

Total income for the Charity amounted to £5.79m (2021 - £5.79m) which was a £4,872 decrease from 2020/21. The Charity's core activities generated income of £5.72m in 2021/22 (2021 – £5.01m).

Grants and donations

Grants and donations represented 68% (2021 – 76%) of the Charity's total income in 2021/22. Of the total of £3.93 million (2021 – £4.37 million) generated in the year, funding received from ACE NPO grant of £706,665 (2021 – £706,665) remains Battersea Arts Centre's single main source of non-emergency voluntary income – 18% (2021 – 12%) of total non-capital voluntary income.

Wandsworth Borough Council continues to provide Battersea's Old Town Hall as a home on a peppercorn rent until 2028, worth an additional £150,000 of support in kind. We have also been successful in raising funds from many other sources to fund the Charity's charitable activities and theatre projects.

Earned income from theatre and arts centre activities

Box Office and fee income increased significantly due to the building being opened after Covid restrictions had been lifted. Total earned income amounted to £539,974 (2021 - £94,000) of which £118,119 was generated through admission fees.

Also important is our Service Level Agreement with Wandsworth Borough Council worth £60,000 (2021 – £60,000) which funds specific aspects of our work in the local community. The Wandsworth Borough Council SLA ended on 31 March 2022, with replacement Project based funds being developed which BAC will have eligibility to apply for.

FINANCIAL REVIEW (continued)

Earned income from other activities

BAC Enterprises Limited, Battersea Arts Centre's trading subsidiary generated a turnover of £1,190,367 (2021 – £548,543). An overall profit of £212,270 (2021 – profit of £83,617) was achieved which reflects the organisations agility and responsiveness, with 27% of turnover compared with 2020/21 the company achieved 49% of prior year net contribution.

Insurance income

We set up a designated capital fund in 2014/15 to manage the income and expenditure which resulted from the fire damage on 13 March 2015. The Charity recognises the income from insurers within this fund on a receivables basis, No further insurance monies have been received since 2020/21 and no further monies are expected or outstanding.

Expenditure

The Charity's total expenditure was £5.75 million (2021 – £4.68 million) which was an increase of £1.07 million on 2020/21.

£0.9 million of the total costs arose from expenditure within the Charity's designated and restricted capital funds, being depreciation and other building development costs. £5.05 million of total expenditure related to the Charity's core activities (2021 – £4.26 million).

Total charitable expenditure on the operation of the theatre and arts centre was £5.05 million (2021 – £4.26 million) reflecting savings made within the organisation. Within the costs of charitable activities, support costs increased to £3.27 million (2021 – £3.48 million); £1.06 million related to the depreciation charge in 2021/22.

Balance sheet position at 31 March 2022

The Charity increased its balance on unrestricted general funds to £1,211,590 (2021 – £815,000) and reduced its designated capital funds to £19,500,790 (2021 – £20,261,554) through depreciation of the building assets. The latter was designated specifically for spend on restoring our building and operations after the fire, now represented by the carrying value of fixed assets and a building reserve fund of £372,132 as at 31 March 2022. Restricted funds increased to £1,644,163 (2021 – £1,235,668). Cash holdings increased to £3,337,947 (2021 – £2,595,195) reflecting the increase to reserves.

Reserves policy

Battersea Arts Centre's reserves policy reflects the organisation's ongoing wish to strike a balance between three financial objectives. Firstly, the need for financial stability, secondly, fulfilling the contracted agreement to invest income from revenue funders in achieving the charitable aims of the organisation, and thirdly, to take advantage of opportunities to invest in Battersea Arts Centre's creative mission that may arise but which are unlikely to be able to be met solely out of operating income.

FINANCIAL REVIEW (continued)

Reserves policy (continued)

The Trustees reviewed the policy in May 2020 in line with the operational guidance CC19 (Charities and Reserves) issued by the Charity Commission, and confirmed the following objectives:

1. To establish a General Fund reserve to maintain financial stability on an on-going basis in the event of a shortfall in income or unexpected operating expenditure;
2. To establish a designated Programme Fund to support the investment of Battersea Arts Centre sponsored productions; and
3. To establish a Building and Equipment Fund to ensure that sufficient money is set aside so that Battersea Arts Centre is able to meet any major maintenance costs not likely to be able to be met out of income if and when they arise.

The Trustee's aim was to build up and maintain a minimal level of unrestricted general funds following Battersea Arts Centre's capital redevelopment period and the period of recovery after the fire, on consultation the aim is to hold a balance of 8 weeks' income (£750,000) as unrestricted general reserves, with an additional £200,000 in designated capital reserves for unforeseen post capital work expenditure as warranties become end of life. The balance of these funds at 31 March 2022 was £1,211,000 (2021 – £815,000).

PLANS FOR THE FUTURE

Coming out of the pandemic allowed 2021/22 to become a vital year as BAC built up to operating at full capacity without restrictions once again.

- ◆ **Community Activity:** In 2022/23 and beyond BAC's Beatbox Academy and Dance Academy continue to grow. Our Young Producers Scheme and Homegrown Festival returns which nurtures local talent to produce new work. A week-long residency for Emerging Music Leaders from the local community has taken place in the building, and we look to continue to invest in projects created by alumni of the Agency project.
- ◆ **Programme:** The ambition of BAC's programme continues to grow; with restrictions from the pandemic easing, international artists have been able to return to perform in the building with shows such as *The Shadow Whose Prey* *The Hunter Becomes* by Back To Back Theatre and *Tanz* by Florentina Holzinger.
- ◆ **Pay What You Can:** The Pay What You Can scheme continues to great success and allowing greater access to the arts. Reviewing ticketing models moving forwards having Pay What You Can performances available for audiences is of key importance.

PLANS FOR THE FUTURE (continued)

- ◆ **Enterprises:** This business remains vital to BAC's resilience and has been a source of financial strength throughout the pandemic. Investment in this side of the business continues with the expectation that across the next few years it can be grown to improve turnover beyond pre-pandemic figures.
- ◆ **Fundraising:** 2022/23 sees the organisation apply for another three years of funding as a National Portfolio Organisation. We expect statutory fundraised income to decrease in 2022/23 and we are aiming to diversify our fundraised income, exploring new opportunities through individual and corporate giving, in order to offset this.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Battersea Arts Centre (BAC) is a company limited by guarantee and a registered Charity. It is governed by its Memorandum and Articles of Association dated 19 June 1981, amended by special resolutions dated 30 November 1981, 19 July 1982 and revised 28 May 2004 to allow the Charity to engage with wider art forms, to permit its activities to benefit the public beyond the UK, and to allow for current governance arrangements; and 25 February 2009 to permit the Directors to deal with conflicts of interest, to modernise communications methods and to increase the maximum number of Trustees from 15 to 20 in recognition of the additional expertise required to fulfil the Charity's new lease responsibilities. New Articles of Association were approved by the Board on 12 July 2018 which updated the Articles to reflect the organisation's development as a civic space. The terms of office for Trustees was also altered from five years to three years. The members of the Company are the members of the Board of Management and also the Trustees of the Charity. Each agrees to contribute £1 in the event of the Charity winding up.

Organisation

The business of the Charity is supervised by the Board of Trustees, which meets four times each year, or more frequently if required. Battersea Arts Centre's Board has four formal sub-committees, each with clear terms of reference:

- ◆ Finance and Governance Committee (chaired by Liz Fosbury)
- ◆ Enterprises Board (chaired by Patrick Harrison)
- ◆ Capital Group (chaired by Bruce Thompson) – currently dormant
- ◆ Development Committee (chaired by Christopher Cabot)

The Creative Partners Sounding Board continued as an informal sub-committee of the main Board. This consists of a focus group of ten artists appointed through application to represent the wider artists' community and support the producing team and Artistic Director with issues relating to the organisation's relationship with artists.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisation (continued)

The Trustees review and approve the Charity's main policies and strategic objectives, and delegate the day-to-day management and operation of the Charity to its salaried staff. Decisions on remuneration for key management personnel are taken by the Finance Group, based on advice from the Executive Board and taking sector norms into account. The Artistic Director & Chief Executive, Tarek Iskander, is a salaried member of staff appointed by the Trustees. The organisation is managed by the Directors which consist of the Artistic Director & CEO, Executive Director & Deputy CEO (Rebecca Holt), Director of Creativity & Social Change (Liz Moreton) and Director of Finance (Dave Jenkins).

Recruitment and appointment of new Trustees

As set out in the Articles of Association, the Chair of the Board of Management is elected by its members and presides as Chair at General Meetings of the Charity. Under the new articles of association there are a maximum of 16 Trustees elected to the Board of Management at any time, with an ambition to hold this number at around 12. Trustees appointed in this way are elected as members of the Company at the subsequent annual general meeting. Trustees are obliged to resign every three years but are eligible for re-election if willing, up to a maximum of three terms, but ideally no more than two. Representatives of Arts Council England receive copies of Board papers and attend one meeting annually but do not serve as Trustees. When considering appointing new Trustees, the Board has regard both to the organisation's need for any specialist skills and to the diversity of the Board's membership.

Induction and training of new Trustees

New Trustees are invited to a welcome briefing by key members of staff. An information pack is sent to all new Trustees, including the Charity's Memorandum and Articles of Association, recent audited and management accounts, the business plan, minutes of recent Board meetings, a full list of the members of the Board and its subcommittees, and the Charity Commission's information on Responsibilities of Trustees.

FUNDRAISING PRACTICES

The Charity aims to achieve best practice in the way in which it communicates with supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. The Charity is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice. It applies best practice to protect supporters' data, it never sells or swaps data with other organisations, and ensures that its communication preferences can be changed at any time. The Charity manages its own fundraising activities and also employs the services of professional fundraisers from time to time. The Charity undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During 2021/22, the Charity received no complaints about its fundraising activities.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and group and of the income and expenditure of the group for that period.

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable under United Kingdom Accounting Standards have been followed, subject to any material departures and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Each of the Trustees confirms that:

- ◆ so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

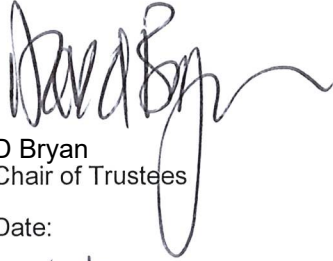
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Trustees' report 31 March 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES (continued)

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

This report was approved by the Trustees and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'D Bryan', with a long, sweeping flourish extending to the right.

D Bryan
Chair of Trustees

Date:

19/4/22

THANKS

Thank you to all the following trusts and foundations, statutory and corporate funders and individuals for supporting activity in 2021/22. In particular we would like to thank the Treasury, the Culture Secretary, the Department for Culture, Media & Sport and Arts Council England for their significant support through the Culture Recovery Fund that enabled us to continue our mission in a year of such challenging circumstances.

Our supporters

- ◆ Andor Charitable Trust
- ◆ Arts Council England
- ◆ Battersea Power Station Foundation
- ◆ Battersea United Charities
- ◆ Bloomberg Philanthropies
- ◆ British Council
- ◆ Calouste Gulbenkian Foundation
- ◆ D'Oyly Carte Charitable Trust
- ◆ Department for Digital, Culture, Media & Sport
- ◆ Esmée Fairbairn Foundation
- ◆ Foyle Foundation
- ◆ Freedom Brewery
- ◆ Garfield Weston Foundation
- ◆ Greater London Authority (London Borough of Culture)
- ◆ International Music and Art Foundation
- ◆ Kirsten Scott Memorial Trust
- ◆ Kristian Gerhard Jebsen Foundation
- ◆ London Community Response Fund
- ◆ Mayor of London
- ◆ Mactaggart Third Fund
- ◆ Morrisons Foundation
- ◆ Paul Hamlyn Foundation
- ◆ PRS Foundation
- ◆ National Lottery Community Fund
- ◆ National Lottery Heritage Fund
- ◆ St Thomas's Foundation
- ◆ Wandsworth Borough Council
- ◆ Wimbledon Foundation
- ◆ Wolfson Foundation
- ◆ Youth Music

Thank you to all our hugely generous individual supporters, Hive Members and Friends who support us every year

Independent auditor's report to the members of Battersea Arts Centre

Opinion

We have audited the financial statements of Battersea Arts Centre (the 'charitable parent company') and its subsidiary company (the 'group') for the year ended 31 March 2022 which comprise the group statement of financial activities, the group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and charitable parent 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.

Independent auditor's report Year to 31 March 2022

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic 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 charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the charitable parent company financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group's and the charitable parent 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 charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the group through discussions with management, and from our knowledge of the charity sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the group and determined that the most significant are the Companies Act 2006, and the Charities SORP FRS102;
- ◆ we understood how the group is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and the subsidiary company directors' meetings and papers provided to the trustees and directors.

Independent auditor's report Year to 31 March 2022

Auditor's responsibilities for the audit of the financial statements (continued)

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of trustees' meetings; and
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Independent auditor's report Year to 31 March 2022

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.



22 December 2022

Katharine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Consolidated statement of financial activities
(including income and expenditure account) Year to 31 March 2022

	Notes	Un- restricted general £	Designated capital £	Restricted revenue £	Total 2022 £	Total 2021 £
Income from:						
Grants and donations	2	2,109,501	—	1,822,022	3,931,523	4,376,653
Charitable activities – Theatre and arts centre operations and projects	3	539,974	—	60,000	599,974	154,245
Other trading activities	4	1,190,367	—	—	1,190,367	548,543
Investments	5	474	—	—	474	288
		<u>3,840,316</u>	<u>—</u>	<u>1,882,022</u>	<u>5,722,338</u>	<u>5,079,729</u>
Coronavirus Job Retention Scheme		75,471	—	—	75,471	713,208
Total income		<u>3,915,787</u>	<u>—</u>	<u>1,882,022</u>	<u>5,797,809</u>	<u>5,792,937</u>
Expenditure on:						
Raising funds						
. Raising grants and donations	6	118,573	—	—	118,573	81,392
. Other trading activities	4	586,455	—	—	586,455	342,773
Charitable activities						
. Theatre and arts centre operations and projects	7	2,642,384	932,896	1,473,527	5,048,807	4,260,776
Total expenditure		<u>3,347,412</u>	<u>932,896</u>	<u>1,473,527</u>	<u>5,753,835</u>	<u>4,684,941</u>
Net income/(expenditure)		<u>568,375</u>	<u>(932,896)</u>	<u>408,495</u>	<u>43,974</u>	<u>1,107,996</u>
Transfers between funds	18	(172,132)	172,132	—	—	—
Net movement in funds		<u>396,243</u>	<u>(760,764)</u>	<u>408,495</u>	<u>43,974</u>	<u>1,107,996</u>
Balances brought forward at 1 April 2021		815,350	20,261,554	1,235,668	22,312,572	21,204,576
Balances carried forward at 31 March 2022	20	<u>1,211,593</u>	<u>19,500,790</u>	<u>1,644,163</u>	<u>22,356,546</u>	<u>22,312,572</u>

All of the Charity's activities derived from continuing activities during the above financial year.

The statement of financial activities includes all gains and losses recognised during the year.

**Comparative consolidated statement of financial activities
(including income and expenditure account) Year to 31 March 2021**

	Notes	Un- restricted general £	Designated capital £	Restricted revenue £	Total 2021 £
Income from:					
Grants and donations	2	2,471,815	—	1,904,838	4,376,653
Charitable activities – Theatre and arts centre operations and projects	3	94,245	—	60,000	154,245
Other trading activities	4	548,543	—	—	548,543
Investments	5	288	—	—	288
		<u>3,114,891</u>	<u>—</u>	<u>1,964,838</u>	<u>5,079,729</u>
Coronavirus Job Retention Scheme		713,208	—	—	713,208
Total income		<u>3,828,099</u>	<u>—</u>	<u>1,964,838</u>	<u>5,792,937</u>
Expenditure on:					
Raising funds					
. Raising grants and donations	6	81,392	—	—	81,392
. Other trading activities	4	342,773	—	—	342,773
Charitable activities					
. Theatre and arts centre operations and projects	7	2,608,748	938,491	713,537	4,260,776
. Post-fire recovery activities		—	—	—	—
Total expenditure		<u>3,032,913</u>	<u>938,491</u>	<u>713,537</u>	<u>4,684,941</u>
Net income (expenditure)		795,186	(938,491)	1,251,301	1,107,996
Transfers between funds	18	(206,558)	222,191	(15,633)	—
Net movement in funds		<u>588,628</u>	<u>(716,300)</u>	<u>1,235,668</u>	<u>1,107,996</u>
Balances brought forward at 1 April 2020		226,722	20,977,854	—	21,204,576
Balances carried forward at 31 March 2021	20	<u>815,350</u>	<u>20,261,554</u>	<u>1,235,668</u>	<u>22,312,572</u>

All of the Charity's activities derived from continuing activities during the above financial year.

The statement of financial activities includes all gains and losses recognised during the year.

Balance sheet 31 March 2022

	Notes	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Fixed assets					
Tangible fixed assets	12	19,043,719	19,043,719	20,063,644	20,063,644
Investments	13	—	2	—	2
		<u>19,043,719</u>	<u>19,043,721</u>	<u>20,063,644</u>	<u>20,063,646</u>
Current assets					
Stock	14	4,662	—	4,797	—
Debtors	15	375,040	1,316,329	570,332	623,130
Cash at bank and in hand		<u>3,337,947</u>	<u>2,019,835</u>	<u>2,595,195</u>	<u>2,292,227</u>
		<u>3,717,649</u>	<u>3,336,164</u>	<u>3,170,324</u>	<u>2,915,357</u>
Liabilities					
Creditors: amounts falling due within one year	16	(404,822)	(228,226)	(921,396)	(750,049)
Net current assets		<u>3,312,827</u>	<u>3,107,938</u>	<u>2,248,928</u>	<u>2,165,308</u>
Total net assets	20	<u>22,356,546</u>	<u>22,151,659</u>	<u>22,312,572</u>	<u>22,228,954</u>
The funds of the Charity:					
Restricted funds	17	1,644,163	1,644,163	1,235,668	1,235,668
Designated capital fund	19	19,500,790	19,500,790	20,261,554	20,261,554
Unrestricted general funds	18	1,211,593	1,006,709	815,350	731,732
Total funds		<u>22,356,546</u>	<u>22,151,662</u>	<u>22,312,572</u>	<u>22,228,954</u>

The financial statements were approved by the board of the Battersea Arts Centre, Company Registration No. 01569115 (England and Wales) and signed on its behalf by:



Chair of Trustees

D Bryan

Date:

19/12/22

Consolidated statement of cash flows Year to 31 March 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	765,857	1,926,288
Cash flows from investing activities:			
Investment income		474	288
(Purchases)/Disposals of property, plant and equipment		(23,579)	6,705
Net cash (used in)/provided by investing activities		(23,105)	6,993
Change in cash and cash equivalents in the year		742,752	1,933,281
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 April 2021		2,595,195	661,914
Cash and cash equivalents at 31 March 2022	B	3,337,947	2,595,195

Notes to the statement of cash flows for the year to 31 March 2022

A Reconciliation of net income to net cash provided by operating activities

	2022 £	2021 £
Net income for the reporting period (as per the statement of financial activities)	43,974	1,107,995
Adjustments for:		
Depreciation charges (note 12)	1,043,504	1,066,669
Investment income	(474)	(288)
Decrease in stocks	131	3,252
Decrease in debtors	195,296	231,206
Decrease in creditors	(516,574)	(482,546)
Net cash provided by operating activities	765,857	1,926,288

B Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	3,337,947	2,595,195
Total cash and cash equivalents	3,337,947	2,595,195

C Analysis of changes in net debt:

	1 April 2021 £	Cash flows £	31 March 2022 £
Cash at bank and in hand	2,595,195	742,752	3,337,947
Total	2,595,195	742,752	3,337,947

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the Charity and the cash and cash equivalents.

Principal Accounting Policies Year to 31 March 2022

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 March 2022.

These financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The financial statements are presented in sterling and are rounded to the nearest pound.

These financial statements consolidate the results of the Charity and its wholly owned subsidiary BAC Enterprises Ltd on a line-by-line basis.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ the allocation of support costs;
- ◆ estimating the useful economic life of tangible fixed assets; and
- ◆ estimating the value of donated services and facilities.

Principal Accounting Policies Year to 31 March 2022

Assessment of going concern

The Trustees have considered the effect of the ongoing disruption from the pandemic on the going concern position. They believe the Charity will continue to operate for a period of at least 12 months from the date of signing these accounts, due to the strong level of funding already secured, together with grants from a number of major trusts and foundations.

While BAC was closed in 2020/21, the cost base was reduced and BAC was successful in obtaining emergency and other funding, as detailed elsewhere. At the balance sheet date, the Charity held significant cash balances. The Charity also has a significant level of reserves, enough of which are unrestricted and available to absorb short-term deficits, if required during the transition to more normal operating patterns. As detailed earlier, Arts Council England has confirmed NPO funding through until 31 March 2023.

BAC proactively manages cash flow; for much of BAC's income it is paid in advance or on the day. Much of our operating cost is spread evenly across the year apart from payment for capital projects. The Trustees have considered the charitable company's business planning in the context of known resources and have reviewed the operating basis of the group's operations. A formal business plan for the period to March 2023 has been prepared and Draft budgets approved to March 2023, which demonstrate the Charity retaining Unrestricted reserves to target levels at March 2023. These detailed financial forecasts assume that BAC remains open with activity levels increasing as the year progresses and restrictions ease. They have been considered by the Trustees who continue to be satisfied that the charitable company remains a going concern.

Income recognition

Voluntary income comprises all incoming resources from sponsorships, donations and grants. Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- ◆ When donors specify that donations and grants given to the Charity must be used in future accounting periods, the income is deferred until those periods.
- ◆ When donors impose conditions that must be met before the Charity has unconditional entitlement, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.
- ◆ When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources when receivable.
- ◆ When donors have unconditionally pledged funds upfront, but amounts are collected on an instalment basis, income is accrued in the year of the pledge.

Income from commercial trading activities is recognised on a receivable basis.

Investment income comprises interest receivable on cash balances held on deposit.

Principal Accounting Policies Year to 31 March 2022

Income recognition (continued)

Income from charitable activities comprises admission fees, fees earned from hire of theatre spaces for performances and rehearsals, income received under Public Authority service agreements in support of performance and participatory activities and commissioning contributions from co-production partners. Income is included in the period in which the relevant activity takes place.

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Expenditure recognition

Expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay.

Costs of raising funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Expenditure on charitable activities includes expenditure associated with developing and commissioning new work, staging productions, supporting artists and creative producers and participatory activities for young people and adults. It also includes the costs of the programme to develop the building as a 21st Century arts facility within a Victorian town hall. Costs include both direct costs and support costs relating to these activities.

Support costs include central functions and governance costs and have been allocated to activity cost categories on a basis consistent with the use of resources as set out in Note 9. Governance costs comprise those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements.

Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

Tangible fixed assets

Individual fixed assets are capitalised at cost. Tangible fixed assets are depreciated so as to write off the cost, less estimated residual values, of the assets over their expected useful lives at the following rates:

- | | |
|---------------------------|--------------|
| ◆ Long leasehold property | 4% to 15% |
| ◆ Fixtures and fittings | 15% to 25% |
| ◆ Plant and equipment | 15% to 33.3% |

Assets within work in progress are not depreciated until they are brought into use.

Principal Accounting Policies Year to 31 March 2022

Stock

This is stated at the lower of cost and net realisable value.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Creditors

Creditors are recognised when the Charity has a present legal or constructive obligation resulting from a past event to make payment to a third party, it is probable that settlement will be required and the amount due to settle the obligation can be measured or estimated reliably.

Fund structure

Funds held by the Charity are either:

- ◆ Unrestricted
General funds - these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.
- ◆ Designated
Designated funds - these are funds set aside by the Trustees out of unrestricted funds for specific future purposes or projects.
- ◆ Restricted Funds
These are funds that can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in Notes 17 to 19.

Pension contributions

Contributions in respect of the Charity's defined contribution pension scheme are charged to the statement of financial activities when they are payable to the scheme. The Charity's contributions are restricted to the contributions disclosed in the staff costs note. The Charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

Financial instruments

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

Notes to the Financial Statements Year to 31 March 2022

1 Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

2 Grants and donations

	Grants £	Sponsor- ships & donations £	In kind £	Total 2022 £	Grants £	Sponsor- ships & donations £	In kind £	Total 2021 £
Unrestricted general:								
Arts Council England – NPO	706,665	—	—	706,665	706,665	—	—	706,665
Arts Council England – Recovery Grant	612,835	—	—	612,835	1,490,381	—	—	1,490,381
Wandsworth Borough Council rent and charges in kind (see below)	—	—	150,000	150,000	—	—	150,000	150,000
General activity	—	640,001	—	640,001	—	124,769	—	124,769
	<u>1,319,500</u>	<u>640,001</u>	<u>150,000</u>	<u>2,109,501</u>	<u>2,197,046</u>	<u>124,769</u>	<u>150,000</u>	<u>2,471,815</u>
Restricted: project income								
Other	1,822,022	—	—	1,822,022	1,904,838	—	—	1,904,838
	<u>1,822,022</u>	<u>—</u>	<u>—</u>	<u>1,822,022</u>	<u>1,904,838</u>	<u>—</u>	<u>—</u>	<u>1,904,838</u>
Total	<u>3,141,522</u>	<u>640,001</u>	<u>150,000</u>	<u>3,931,523</u>	<u>4,101,884</u>	<u>124,769</u>	<u>150,000</u>	<u>4,376,653</u>

The Charity is provided with rent free premises by Wandsworth Borough Council. The value placed on this contribution by the Trustees is £150,000 per annum. An equivalent charge is included within premises costs.

Notes to the Financial Statements Year to 31 March 2022

3 Income from charitable activities – Theatre and arts centre

	2022 £	2021 £
Unrestricted		
Admission fees and programmes	188,119	34,245
Other income	<u>351,855</u>	<u>60,000</u>
	539,974	94,245
Restricted		
Wandsworth Borough Council – Service Level Agreement	60,000	60,000
Total	<u>599,974</u>	<u>154,245</u>

4 Other trading activities

The wholly-owned trading subsidiary, BAC Enterprises Ltd, which is incorporated in the United Kingdom, pays all its profits to the Charity by Gift Aid. BAC Enterprises Ltd operates the venue hire business, as well as the café-bar and all commercial trading operations carried on at Battersea Arts Centre. The Charity owns the entire issued share capital of 2 shares of £1 each. A summary of the trading results are shown below.

	2022 £	2021 £
Summary of profit and loss account		
Turnover	1,190,367	548,543
Cost of sales and administrative expenses	<u>(919,097)</u>	<u>(463,773)</u>
Net profit	271,270	84,770
Amount gifted to Charity	<u>(150,000)</u>	<u>(230,002)</u>
Retained in the subsidiary	<u>121,270</u>	<u>(145,232)</u>
Current assets	1,393,468	350,262
Creditors: amounts falling due within one year	<u>(1,188,582)</u>	<u>(266,645)</u>
Total net assets	<u>204,886</u>	<u>83,617</u>
Aggregate share capital and reserves	<u>204,886</u>	<u>83,617</u>

5 Investment income

	2022 £	2021 £
Total: CCLA Investment Management Ltd (interest bearing deposit account)	<u>474</u>	<u>288</u>

Notes to the Financial Statements Year to 31 March 2022

6 Costs of raising funds

	2022 £	2021 £
Staff costs	82,344	63,481
Support costs	36,229	17,911
Total	118,573	81,392

7 Expenditure on charitable activities

	Developing & staging theatre £	Supporting theatre creators £	Participation £	Total 2022 £
Producing costs	617,276	762,517	435,725	1,815,518
Marketing and press	19,608	24,221	13,841	57,670
Production and technical	8,296	10,249	5,856	24,401
Governance (note 8)	47,858	59,119	33,782	140,759
Support costs (note 8)	1,023,556	1,264,393	722,510	3,010,459
Total	1,716,594	2,120,499	1,211,714	5,048,807

	Developing & staging theatre £	Supporting theatre creators £	Participation £	Total 2021 £
Producing costs	255,761	325,514	193,758	775,033
Marketing and press	9,723	12,374	7,366	29,463
Production and technical	4,516	5,748	3,421	13,685
Governance (note 8)	43,455	55,306	32,920	131,681
Support costs (note 8)	1,122,643	1,371,752	816,520	3,310,915
Total	1,436,098	1,770,694	1,053,985	4,260,776

Support and governance costs are analysed further in note 8.

Notes to the Financial Statements Year to 31 March 2022

8 Analysis of support costs

	Charitable activities £	Fundraising £	Governance £	Total 2022 £
Support costs				
Support staff costs	1,349,878	82,344	45,671	1,477,893
Office and equipment	267,059	16,291	9,035	292,385
Legal and professional	—	—	74,994	74,994
Premises costs	326,853	19,938	11,059	357,850
Depreciation	1,066,669	—	—	1,066,669
Total	3,010,459	118,573	140,759	3,269,791

	Charitable activities £	Fundraising £	Governance £	Total 2021 £
Support costs				
Support staff costs	1,715,413	63,481	50,034	1,828,928
Office and equipment	224,340	8,302	6,543	239,185
Legal and professional	—	—	67,531	67,531
Premises costs	259,655	9,609	7,573	276,837
Depreciation	1,066,669	—	—	1,066,669
Total	3,266,077	81,392	131,681	3,479,150

Support costs are allocated between activities on the basis of the ratio of direct expenditure in each area.

9 Staff costs and Trustees' remuneration

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Wages and salaries	1,706,824	1,340,122	1,896,216	1,686,962
Social security costs	143,488	115,184	131,209	115,754
Pension costs	28,792	22,587	29,992	26,211
Freelancers	30,234	30,234	21,512	21,512
	1,909,338	1,508,127	2,078,929	1,850,439

No employee earned more than £60,000 per annum (2021 – none).

The Trustees were not paid or reimbursed for their expenses during the current year or previous year.

Notes to the Financial Statements Year to 31 March 2022

9 Staff costs (continued)

The average number of full-time equivalent employees (including casual and part-time staff) during the year was as follows:

	2022 No.	2021 No.
Producing	11	17
Theatre management and Front of House	13	14
Management and administration	11	14
Café-bar and Halls bars	3	3
Production and technical	9	3
Venue hire	6	5
Communications	4	5
Development	2	2
Total	59	63

The average monthly number of employees, calculated on an average headcount basis, during the year was 137 (2021 – 164). The average was affected by the furlough scheme and its effect on casual staff payments.

Redundancy

No redundancy was issued in 2021/22 following a significant restructure in 2020/21.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity. The key management personnel of BAC are the Artistic Director & CEO, the Executive Director & Deputy CEO and the Head of Finance. Aggregate compensation paid to key management personnel in the year amounted to £171,224 (2021 – £165,449). These amounts include employer's NIC and employer's pension contributions.

Pension commitments

The Charity operates a defined contribution work place pension scheme through NEST, with contributions being made by both the employer and employees at variable rates. The assets of the scheme are held separately from those of the Charity. Pension costs charged represent contributions payable by the Charity to the scheme.

Total pension costs in the current year amounted to £28,792 (2021 – £29,992). At the year-end £4,798 was payable to the scheme (2021 – £5,861).

10 Taxation

The company is a registered Charity, and no provision is considered necessary for payment of tax. The trading subsidiary, BAC Enterprises Limited, passes profits on which tax would be payable to the Charity under Gift Aid.

Notes to the Financial Statements Year to 31 March 2022

11 Auditor's remuneration

The auditor's remuneration of £21,500 (2021 – £14,000) related solely to the audit and includes an amount of £2,915 (2021 – £2,500) relating to BAC Enterprises Ltd.

12 Tangible fixed assets

	Long leasehold property £	Fixtures and fittings £	Plant and equipment £	Total £
Cost				
At 1 April 2021	24,551,762	372,242	826,807	25,750,811
Additions	26,850	—	11,941	38,791
Disposals	(433)	(14,484)	(295)	(15,212)
At 31 March 2022	<u>24,578,179</u>	<u>357,758</u>	<u>838,453</u>	<u>25,774,390</u>
Depreciation				
At 1 April 2021	4,697,262	227,464	762,441	5,687,167
Charge for the year	933,866	62,370	47,268	1,043,504
At 31 March 2022	<u>5,631,128</u>	<u>289,834</u>	<u>809,709</u>	<u>6,730,671</u>
Net book value				
At 31 March 2022	<u>18,947,051</u>	<u>67,924</u>	<u>28,744</u>	<u>19,043,719</u>
At 31 March 2021	<u>19,854,500</u>	<u>144,778</u>	<u>64,366</u>	<u>20,063,644</u>

13 Investments - Charity

	2022 £	2021 £
Investment in subsidiary undertaking, at cost	<u>2</u>	<u>2</u>

14 Stock

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Stock of purchased goods: bar catering	<u>4,662</u>	<u>—</u>	<u>4,797</u>	<u>—</u>

15 Debtors

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Accrued income	12,066	12,066	40,711	40,711
Other debtors	305,854	235,157	510,218	467,718
Prepayments	3,443	3,443	40	40
VAT recoverable	53,677	304,404	19,363	68,457
Amounts due from group undertakings	—	761,259	—	46,204
	<u>375,040</u>	<u>1,316,329</u>	<u>570,332</u>	<u>623,130</u>

Notes to the Financial Statements Year to 31 March 2022

16 Creditors: amounts falling due within one year

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Trade creditors	69,448	55,672	309,680	303,821
Taxes and social security	84,720	84,720	110,240	110,240
Other creditors	22,580	22,579	16,909	15,409
Accruals	57,009	48,192	14,930	7,906
Deferred income (see below)	171,065	17,063	469,637	312,673
	404,822	228,226	921,396	750,049
Deferred income:				
Balance brought forward	469,637	312,673	730,224	574,468
Future Box Office and grant income received in year	426,907	317,683	334,647	279,552
Released to revenue during the year	(725,479)	(613,293)	(595,234)	(541,317)
Balance carried forward	171,065	17,063	469,637	312,673

17 Restricted funds

The income funds of the Charity include restricted funds comprising the following unexpended balances of donations and grants to be applied for specific purposes:

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
Project funds	1,235,668	1,882,022	(1,473,527)	—	1,644,163
	1,235,668	1,882,022	(1,473,527)	—	1,644,163
	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
Project funds	—	1,964,838	(713,537)	(15,633)	1,235,668
	—	1,964,838	(713,537)	(15,633)	1,235,668

Building improvement grants related to capital grants received to carry out improvements to Battersea Old Town Hall. Expenditure comprises revenue expenditure and depreciation on capital funded assets. Following the completion of the redevelopment works, the balance was transferred from restricted capital funds to the designated fund.

Project funds are specifically used to support individual elements of the artistic and participatory programmes. Project funds are spread across 14 projects with the notable balances being Moving Roots (£359,000 – Garfield Weston / Esmee Fairburn), Horizon Showcase (£235,000 – Arts Council England), and Co-Creating Change (£230,000 – NLCF).

Notes to the Financial Statements Year to 31 March 2022

18 Unrestricted general funds

The income funds of the Charity include unrestricted general funds comprising the following:

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
General fund	815,350	3,915,787	(3,347,412)	(172,132)	1,211,593

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
General fund	226,722	3,828,099	(3,032,913)	(206,558)	815,350

19 Designated funds

The income funds of the Charity include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes:

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
Designated capital fund	20,061,554	—	(932,896)	172,132	19,300,790
Designated building reserve	200,000	—	—	—	200,000
	20,261,554	—	(932,986)	172,132	19,500,790

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
Designated capital fund	20,777,854	—	938,491	222,191	20,061,554
Designated building reserve	200,000	—	—	—	200,000
	20,977,854	—	938,491	222,191	20,261,554

The **Designated Capital Fund** is a designated fund set aside to represent the carrying value of tangible fixed assets.

The **Designated Building Reserve** has been set aside by the Board to assist with the future costs of maintenance of the Charity's building.

Notes to the Financial Statements Year to 31 March 2022

20 Analysis of net assets between funds

	General funds £	Restricted funds £	Designated funds £	2022 Total funds £
Tangible fixed assets	—	—	19,043,719	19,043,719
Net current assets	1,211,593	1,644,163	457,071	3,312,827
	<u>1,211,593</u>	<u>1,644,163</u>	<u>19,500,790</u>	<u>22,356,546</u>

	General funds £	Restricted funds £	Designated funds £	2021 Total funds £
Tangible fixed assets	2,090	—	20,061,554	20,063,644
Net current assets	813,260	1,235,668	200,000	2,248,928
	<u>815,350</u>	<u>1,235,668</u>	<u>20,261,554</u>	<u>22,312,572</u>

21 Operating lease commitments

At 31 March 2022, the Charity's future minimum lease payments under non-cancellable operating leases were as follows:

	Office equipment	
	2022 £	2021 £
Amounts due:		
Within one year	3,414	3,414
	<u>3,414</u>	<u>3,414</u>

22 Related party transactions

Subsidiary

The Charity's wholly owned subsidiary, BAC Enterprises Ltd, was established to carry out commercial activities including hire of spaces at Battersea Arts Centre for community and business purposes and the operation of ancillary trading in Battersea Arts Centre's café-bar (see note 4).

Other Related Parties

Battersea Arts Centre has a multi-faceted relationship with Wandsworth Borough Council which is the landlord of the Old Town Hall building, contracts Battersea Arts Centre through a Service Level Agreement, and grants Battersea Arts Centre's public entertainment licence. During the year, Councillor Paul Ellis was a Trustee of Battersea Arts Centre whilst sitting in the Cabinet of Wandsworth Borough Council.

	2022 £	2021 £
Wandsworth Borough Council:		
Service Level Agreement	60,000	60,000
Rent in-kind (note 3)	150,000	150,000
	<u>210,000</u>	<u>210,000</u>
Amounts outstanding as at 31 March	<u>Nil</u>	<u>Nil</u>

Notes to the Financial Statements Year to 31 March 2022

22 Related party transactions (continued)

BAC has a relationship with Arts at the Mill CIC T/A The Old Courts as a partner on the Moving Roots project, Managing Director of Arts at the Mill CIC (David Jenkins) is the Director of Finance at BAC, a total of £20,000 in 2021/22 (2020/21 - £20,000) was paid to Arts at the Mill CIC as partner fees in line with the partner agreement.