

Companies House

BATTERSEA ARTS CENTRE

Battersea Arts Centre

**Annual Report and Financial
Statements**

31 March 2024

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	Cllr Sara Apps Rachel Bagshaw Christopher Cabot Rachel Coldicutt (resigned 16 November 2023) Marsha De Cordova, MP Liz Fosbury (Chair Finance Group) Alison Gannage-Stewart Anu Giri Malik Gul Patrick Harrison (Chair Enterprises Board) Henrietta Imoreh (resigned 17 July 2023) Claudia Kenyatta (appointed 17 July 2023) (Chair) Justin Shinebourne (resigned 17 July 2023) Susie Thornberry
Chief Executive Officer	Tarek Iskander
Company secretary	Amy Vaughan (appointed 22 September 2022)
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
Solicitors	Osborne Clarke One London Wall Barbican London EC2Y 5EB

Chair's review 31 March 2024

Chair's review

On behalf of the BAC Trustees, I'm delighted to present the 23/24 Trustee report.

Over the past year, Battersea Arts Centre has held true to its vision as a home for the extraordinary, and to our motto 'Not for me, Not for you, But for us'.

In the first year of our new five-year business plan, we have developed and delivered a year of exciting, innovative and inspiring activity. Audiences topped 25,000 this year with attendance holding steady at 73% for our unique and contemporary programming which is a number we're really proud of; we have continued to make real our international ambitions through our public programme and creative development work via exchange programmes like Scene Change and the Horizon Showcase; we have developed and supported a range of exciting youth work through our Next Gen programme with the Beatbox Academy premiering Pied Piper with BAC ahead of a successful national tour; and we have remained an accessible and active community partner through our Community Hub and Garden initiatives.

Alongside these achievements, this past year has held real challenges. We are hugely grateful to the Arts Council and to the London Borough of Wandsworth for their ongoing support, but funding remains a significant challenge as it does for many cultural organisations. Over this past year the Battersea team has continued to make best use of the commercial potential of our building, while remaining open and accessible to our communities and our users, and has improved our development and fundraising capabilities, with a range of exciting potential new partnerships and collaborations in development for the future. In this challenging context, we are particularly proud to have remained committed to our Pay What You Can scheme, ensuring that Battersea's offer remains affordable and accessible.

As we look ahead to 2024/25 there is much to look forward to. Battersea's 50th birthday in Autumn 2025 is an opportunity to bring together friends, partners and supporters, old and new, to reflect on the history and achievements of this amazing place and to share our ambitions for the future. Battersea is looking forward to playing a full and leading role as Wandsworth becomes London Borough of Culture 2025. And we are developing exciting capital plans that will help to ensure that Battersea's historic and important home is fit for the future.

The achievements of the past year, and our future ambitions, are made possible by the hard work of the fantastic Battersea team, under the leadership of Tarek and his colleagues, and by the strong and effective partnership between the Battersea executive and Board. I am extremely grateful to all of them and look forward to working together in the year ahead.

Claudia Kenyatta, Chair

Artistic Director & CEO's review 31 March 2024

Artistic Director & CEO's Review

In 23/24 BAC solidified its role as an important international hub for international creative exchange. Some of the world's greatest talents like Milo Rau, Miet Warlop and Sonya Lindfors brought their work to our stages and inspired local artists and audiences. In turn BAC continued to host work by some of the UK's most exciting talents like Tim Crouch and Action Hero and, via our co-leadership of the Edinburgh Horizon showcase, has helped many of those artists to take their work abroad. And, between our unique Pay What You Can ticket pricing, and relaxed performances, our programme has been one of the most accessible, as well as diverse, in the country.

In the meantime, our youth programmes have continued to thrive. Our Young Producers curated and delivered another fantastic 'Homegrown Festival'; our Beatbox Academy took their new show on a national tour, and our Dance Academy participated in events all over the capital. Plus, our uniquely beautiful spaces continued to provide hire-charge-free space to local voluntary and charitable groups who make a vital contribution to our most under-served communities.

All this great work has been achieved against an exceedingly difficult financial backdrop. Like all cultural organisations we have grappled with rampant inflation and skills shortages alongside flat subsidies and an unprecedented fundraising climate in terms of difficulty. We have partly closed this gap through some new corporate partnerships, and improved performance of our vital Enterprises businesses. But the outlook remains challenging, so we are also putting in much effort and investment in systems upgrades and staff development, to ensure we are as efficient as we can be. The good progress of this work, the strength and talent of the BAC team and our strong local and national partnerships, makes me confident we can navigate these tricky waters with aplomb.

Tarek Iskander, Artistic Director & CEO

TRUSTEES ANNUAL REPORT

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 2024. 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 2727 to 2930 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

BAC has been a Home for the Extra-Ordinary for over 50 years, transforming the lives of countless individuals and their communities. The positive ripples are felt locally, nationally and internationally.

We invest in ground-breaking arts and creativity, working with the kinds of people and creative ideas that can reimagine what is possible... the kind that can inspire positive change for both individuals and communities

We collaborate with extra-ordinary people who are often underserved or ignored by others. This is because we believe these ground-breaking artists, young people and communities are the best source of the bold new ideas we need to can inspire us all.

We live by the old town hall motto, inscribed on our beautiful building: 'Not for me, not for you, but for us'. This is our guiding principle, our code of conduct, the pole star for everything we do. Our aim is to always work compassionately, collaboratively, and generously with others... for the greater benefit of everyone.

We thank all our funders and supporters. Special note of thanks goes to Arts Council England, who support us with core funding as a National Portfolio Organisation. A special note of thanks also goes to our landlord Wandsworth Borough Council who have this year extended our lease until 2035 at a peppercorn rent which is vital to our ongoing resilience and delivery.

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.

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.

OBJECTIVES AND ACTIVITIES (continued)

Principles (continued)

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

Creative Activity

Public Programme

In 23/24 there were a total of 17 shows resulting in 200 performances. This includes 6 international shows co-presented with partners including **Shubbak** and **Dance Umbrella Festivals**, building takeover, co-created show with young people and 4 BAC commissions.

Across the programme, 25,944 audience members experienced the productions, and 33% of those came from local postcodes, 38% from wider South London, 23% from the rest of London and 6% nationally. Total tickets sales translate as 73% of the total tickets available which is a very healthy average capacity.

BAC has a KPI to programme at least 40% Global Majority and 20% Disabled Artists every year. This year we reached 41% and 23% respectively.

Highlights of the 23/24 year include:

As one of the pioneering theatre directors in Europe, **Milo Rau** brought their award-winning piece **Hate Radio** to BAC between 19-22 April after touring more than twenty countries.

Twenty-nine years on from genocide in Rwanda, the production reconstructs a radio broadcast from RTLM which played a crucial role in sparking genocide by using eyewitness accounts, studies, and reports of real-life events during the genocide against the Tutsis in Rwanda. This incredible piece was sold out at BAC, and was very much welcomed by Rwandan audiences and human rights organizations.

Co-presented with **Dance Umbrella**, BAC presented **One Drop** on 19 and 20th October by award-winning Cameroonian-Finnish choreographer **Sonya Lindfords** exploring power, representation and Black body politics. This production, similar to BAC's New Dimensions commissioning programme with partners, was coproduced by **A Big Pulse Dance Alliance** funded by Creative Europe aiming to support scaling up of the artists.

One of highlights of the Autumn 2023 season was the presentation of **One Song** by Miet Warlop between 24-26 October in Grand Hall. The show, exploring ritual about farewell, life and death, hope and resurrection, has been chosen by the New York Times as one of the best performances of 2022. **One Song** was co-presented by BAC and **Transform** in Leeds, supported by Arts Council England and the Embassy of Belgium. As part of the project, we have established an informal UK network of venues and festivals for advocacy for internationalism, increasing the number of incoming mid-scale international performances and audience development for international work.

STRATEGIC REVIEW OF THE YEAR (continued)

Creative Development

In 23/24, as part of the growing Creative Development programme, BAC commissioned 6 artists (4 of them disabled artists), and 33 weeks of spaces allocated for artists residencies. Out of 17 shows in the programme, 3 were commissioned by BAC previously including **Krishna Isthā**, **Oozing Gloop** and **Figs in Wigs**. All those works premier toured in the UK and internationally after performing at BAC.

Pied Piper - a hip-hop family musical, emerged from BAC's Beatbox Academy and was a BAC co-production with **rOdium** premiered at BAC and toured to Gulbenkian after BAC as part of longer tour.

BAC's support for local artists to internationalise their practice has been one of the key objectives of Creative Development. BAC's **Scene Change (international Exchange Programme)** supported Krishna Isthā and Jenni Jackson to travel to two international festivals in Amsterdam and Belgium, meet with their peers, see and discuss international works in those festivals.

International Programmes

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

Horizon — Together with a consortium made up of **Fierce**, **GIFT**, **MAYK**, **Transform**, and **Dance4**, BAC led the final year of the Horizon Showcase, England's first national showcase at the Edinburgh festival. 2023 was the third year of the project and the second live year (2021 online) and featured artists such as **Action Hero**, **Bullyache**, **Raquel Meseguer Zafe**, **Ray Young** and **Javaad Alipoor**. 43 delegates from around the world attended to see the work and engage in the networking activity.

Youth & Community Programmes

BAC continued delivering deep engagement activities with local young people and community groups. **Next Gen** is our young people's programmes and **Town Hall** is our communities offer.

Next Gen

Next Gen is a collection of projects aimed at young people (11 – 29) with the intention of offering free, accessible and high-quality creative provision to anyone who is interested.

BAC Academies

The Dance Academy and Beatbox Academy continue to go from strength to strength. Free to access and focused on high quality creative development for all levels, the young participants are given opportunities to develop and improve their performance skills.

In total these programmes delivered 280 sessions of activity to young people over the year. Membership ranges from 25-30 in each academy, is hyper local (within 1 mile), and 55% global majority. Data on disability in these groups is currently unavailable.

The Beatbox Academy, now in its 10th year, also developed and toured **Pied Piper - A Hip Hop Family Musical** which saw some of the original Academy members, now professional performers themselves, taking to the stage and heading off on a 6-week national tour.

STRATEGIC REVIEW OF THE YEAR (continued)

Young Producers

The Young Producers are our annual cohort of young people with a specific passion for producing and an idea that needs support. The cohort goes through a 12-week development programme culminating in a festival of their work which takes over BAC for a week.

This year's cohort produced 14 events and attracted an audience of 268 people. 45% of ticket buyers were under 35.

The Agency

The Agency supports young people aged 15-25 from local housing estates to create their own social enterprises that benefit their communities. This year the project operated in two new locations - Chester and Belfast - as well as its current deliveries in Manchester, London and Southampton. A total of 89 agents were recruited, 68 pitched their projects to panels, and 22 moved on to Cycle 2 where their projects are funded to start up.

This year's London cohort, for whom BAC are the delivery partner, were all from Wandsworth and 89% global majority.

Town Hall Project

The Town Hall Project enables local groups and organisations to access space at BAC to hold regular community activity or one-off larger events. It does this primarily through three schemes: Community Partners, Community Hires and the Community Garden.

Community Partners

Funded by a £10k grant from the **Wimbledon Foundation** to cover core costs, the Community Partners scheme saw 4 local groups - **Homestart Wandsworth, 575 Wandsworth Road (National Trust), Hope in the Heart and Baked Beans Charity** - given free weekly space and operational support to run creative activities, events and workshops for the local community.

Over the course of 23/24, average footfall for Community Partner activities was 300, with the Partners offered 250 hrs of free space at BAC to run their projects (the scheme began in September 2023, so for half of 23/24 only).

Community Hires

Whilst income from commercial hire of the Grand Hall continues to play a huge role in the financial health of the organisation, it is important that access to the Grand Hall - and other spaces in the building - continues to be made available to the local community. To facilitate this, we offer a minimum of 1x in-kind hire of the Grand Hall per month to organisations planning large-scale community activities. In 23/24 this included **Open Iftar, Sana Fest and Kinetika Bloco**. Applications for these hires are reviewed and approved by the Creative Partners Group - made up of Artists, Young People and Community representatives.

Across 23/24 we held six Grand Hall Community Hires, with an average attendance of 300 per event and an opportunity cost of £57k, alongside 12 ad-hoc community hires across the building.

Community Garden

The garden is open to the community through a series of gardening workshops — this project continued to offer outdoor social activities for local people, and is now maintained with the help of local volunteers.

STRATEGIC REVIEW OF THE YEAR (continued)

Inclusive Practice

BAC has invested in the development of an Inclusive Practice strategy during 23/24, that will be implemented from 24/25 onwards. Our ambition is to become a radically inclusive organisation, which means challenging and developing our practices, policies and procedures right across the business, as well as continuing our commitment to removing barriers to access. This strategy is built on long term commitments to existing models.

Pay What You Can

As part of our continued commitment to access, the Pay What You Can scheme continued throughout this year and was applied to all our contemporary performance programming. Average ticket yield was £11.68 where the average recommended price would be £14.00.

Relaxed Venue

BAC has continued to implement a Relaxed Venue methodology across its public programme strand. Relaxed Venue is a provision for audiences that strives to ensure no-one feels excluded from our spaces. A team is in place dedicated to supporting incoming artists to work with BAC in achieving its ambitions in relation to this.

Risk Management

The Risk Management model captures the biggest risks facing the organisation using a project management structure:

- ◆ All activity at BAC is delivered within a Project Structure which comprises three strategies containing a range of individual projects
- ◆ Each project has a dedicated 'Shaper' who is accountable for capturing risks within a project workbook and reviewing it on an ongoing basis with a wider project team
- ◆ Every month the Director led Strategy Groups convene and review risk across all projects that sit within their Strategies
- ◆ Every quarter the Strategic Directors meet to review Risk and Mitigations across the full project structure and sign off the Risk Register report

The Executive Director also maintains a Resource Risk Register which captures overarching capacity, financial and personnel risk that may not be highlighted through the project structure

This risk register goes to BAC's Board of Trustees at quarterly Board meetings.

Trustees implement the risk management strategy that comprises:

- ◆ A review of the risks which the Charity may face
- ◆ Ensuring fit-for-purpose systems and procedures are established to mitigate risks
- ◆ Implementing procedures designed to minimise any potential impact on the Charity should those risks materialise.

STRATEGIC REVIEW OF THE YEAR (continued)

Risk Management

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 — There are ongoing financial sustainability pressures in fundraising both from institutions and individuals as economic pressures continue to be felt across the board which is not anticipated to improve so is mitigated through a robust and diverse fundraising strategy.
- ◆ Income generation from commercial activities — Income from the events and catering is dependent upon securing customers.
- ◆ Commercial business contribution remains essential to the organisation's long-term financial stability. Whilst currently buoyant, the financial climate remains volatile and could impact future business.

Sustainability and Building Maintenance - BAC is a Grade II listed building which makes climate action measures challenging as the building is so complex. Maintaining BACs fabric and built infrastructure 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 for the future. 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 position, including the results of its trading subsidiary, BAC Enterprises Limited, for the year ended 31 March 2024 amounted to a deficit of £2.105m (2023 – net deficit of £1.826m); 23/24 was a full year of trading at capacity. This consists of £818k (2023 - £278k) on Restricted Funds, a Designated Capital Fund movement of £954k (2023 - £1,002k) and a General Fund deficit of £333k. (2023 - £545k).

The Board of Trustees continued to maintain an agile governance arrangement to ensure a responsive and focussed strategy to the ongoing challenging circumstances, including allowing the business model to shift and both the allow the trading subsidiary to generate additional income to support the pressures the Charity faces and targeting aligned restricted funding which alleviates General Fund expenditure.

Financial reports are produced for the Charity monthly for internal review; these are presented to the Finance and Audit Committee and the Board of Trustees quarterly who continue to discharge their statutory responsibilities as ultimate decision makers.

All Financial policies were reviewed and signed off by the Finance and Audit Committee in year including Procurement, Expenses, Reserves and Remuneration and Annual Pay

In 23/24 it was agreed the organisation would operate at a deficit using the reserves. The Board agreed levels of combined available reserves of £500k, those reserves consisting of unrestricted and designated capital reserves. Throughout the 23/24 financial year at no point did the charity hold below the reserves target authorised by the Board of Trustees.

STRATEGIC REVIEW OF THE YEAR (continued)

Financial review (continued)

The 23/24 financial year continued to present some challenges to the Charity across areas of its trading and delivery with inflationary pressures increasing, 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 £4.28m (2023 - £4.73 m) which was a £1.06 million decrease from 2022/23, this income was all generated from the Charity's core activities.

Grants and Donations

Grants and donations represented 49% (2023 – 55%) of the Charity's total income in 23/24. Of the total of £2.11 million (2023 – £2.59 million) generated in the year, funding received from ACE NPO grant of £706,665 (2023 – £706,665) remains Battersea Arts Centre's single main source of 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

Income from charitable activities increased; total earned income amounted to £421,801 (2023 - £397,281) of which £213,927 (2023 - £228,887) was generated through admission fees with the Charity continuing to operate a 'Pay What You Can' scheme on ticket income.

Earned income from other activities

BAC Enterprises Limited, Battersea Arts Centre's trading subsidiary generated a turnover of £1.70 million (2023 – £1.72 million). An overall profit of £593,832 (2023 – profit of £531,139) was achieved which reflects the organisations agility and responsiveness, with 39% of the Charity's turnover contributed by BAC Enterprises limited compared with 36% in 2022/23.

Expenditure

The Charity's total expenditure was £6.39 million (2023 – £6.60 million) which was a decrease of £0.21 million on 22/23.

£5.3 million of total expenditure related to the Charity's core activities (2023 – £5.4 million). £954k of the total costs arose from expenditure within the Charity's designated and restricted capital funds, being depreciation and other building development costs.

Within the costs of charitable activities, support costs decreased to £3.2 million (2023 – £3.3 million); of which £954k related to the depreciation charge in the year.

STRATEGIC REVIEW OF THE YEAR (continued)

Balance sheet position at 31 March 2024

The Charity reduced its balance on unrestricted general funds to £280,624 (2023 – £761,451) and reduced its designated capital funds to £17,597,463 (2023 – £18,403,280) through depreciation of the building assets and a brought forward designated fund correction of £148,278. 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 £276,859 as at 31 March 2024. Restricted funds decreased to £1,366,047 (2023 – £1,366,047). Cash holdings decreased to £1.431m (2023 – £2.678m) reflecting the deficit in the profit and loss,

Reserves policy

Battersea Arts Centre's reserves policy reflects the organisation's ongoing wish to strike a balance between four financial objectives:

1. To ensure consistent financial stability and going concern
2. To allow for calculated real-time responses to opportunities and investments.
3. To ensure cash fluidity whilst undertaking large and complex projects.
4. To have the ability to respond quickly to building related issues through a designated capital fund.

The Trustees reviewed the policy in March 2024 in line with the operational guidance CC19 (Charities and Reserves) issued by the Charity Commission, and confirmed the following objectives:

- 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;
- To establish a Designated Capital 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.
- To ensure that the charity had ample funds to pay each and every creditor if the charity did not meet the requirements of going concern, allowing it to wind up with no outstanding financial commitments.

The Trustee's aim is to maintain a minimal level of available funds, consisting of unrestricted general funds plus designated funds, of wind up costs (£500,000). At the year end, £249,000 was held in designated capital reserves for unforeseen post capital work expenditure as warranties become end of life. Wind up costs in March 2023 were recalculated at £482k therefore it was agreed that should the available reserves look to drop below £500k between April 2023 – March 2024 the trustees should be notified. The balance of these combined reserves at 31 March 2024 was £530,442 (2023 – £761,451) and of unrestricted reserves was £249,818 (2023 - £276,859).

PLANS FOR THE FUTURE

BAC has been a Home for the Extra-Ordinary for over 50 years, transforming the lives of countless individuals and their communities. The positive ripples are felt locally, nationally and internationally.

Our Business Plan for 2023 – 2028 sees us delivering projects that will further strengthen BACs position in the local, national and international landscape for cultural venues. We intend to ensure we are:

- ◆ the go-to cultural space in the UK to make and experience boundary-pushing work
- ◆ a role-model on how young people can be empowered to realise their creative potential
- ◆ a world-leading authority on access & inclusion in the arts
- ◆ home to the most distinctive events space in London
- ◆ meaningfully demonstrating social and environmental change

Our Business Plan has 3 Strategies:

1. Creative Impact
2. Commercial Enterprises
3. Continuous Improvement

Creative Impact: The Creative team run all activity that directly impacts on our beneficiaries: Artists, Young People and Communities. This strategy ensures these projects have clear KPI's that are focused on our ambitions to be an international hub, and remain wholly accessible to those who are often underrepresented in our industry, participants and audiences

Commercial Enterprises: The trading subsidiary, BAC Enterprises, is vital to BAC's resilience and has been a source of financial strength throughout the last 3 years. Investment in this side of the organisation focuses on the Grand Hall Events, Building Hires and the Bars & Catering business with the expectation that across the next 3 financial years it returns a year-on-year increased contribution to the Charity.

Continuous Improvement: This strategy focuses on the resilience of the organisation and its ability to respond proactively to external challenges. This strategy focuses on Artificial Intelligence, Data and Evaluation, Climate Action, Footfall and Workforce Diversity, as well as a continued commitment to accessibility through a new Inclusive Practice plan.

Capital Ambitions

Looking ahead, BAC will move more actively into a planning phase for a major capital redevelopment. Ambitions include a radical new approach to access, introducing AI into the building and upgrading the venue to be less impactful on the climate, moving toward net zero in line with local strategic plans.

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 an annually reviewed terms of reference:

Finance and Governance Committee (chaired by Liz Fosbury)

Enterprises Board (chaired by Patrick Harrison)

Development Committee (chaired by Christopher Cabot)

Creative Partnerships Group (chaired by Rachel Bagshaw)

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 (Amy Vaughan), Commercial Director (Catriona Guthrie) and Director of Finance (Lizzie Ball).

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 intention 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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 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 23/24, the Charity received no complaints about its fundraising activities.

THANKS

Thank you to all the following trusts and foundations, statutory and corporate funders and individuals for supporting activity in 23/24:

Andor Charitable Trust
Arts Council England
Battersea United Charities
Bloomberg Philanthropies
British Council
Christina Smith Foundation
Cockayne – Grants for the Arts: a donor advised fund held at The London Community Foundation
John S Cohen Foundation
Department for Digital, Culture, Media & Sport
Esmée Fairbairn Foundation
Fidelity Foundation
Finnis Scott Foundation
Garfield Weston Foundation
Garrick Charitable Trust
International Music and Art Foundation
John Coates Charitable Trust
Kristian Gerhard Jebsen Foundation
Leche Trust
London Marathon Foundation
Paul Hamlyn Foundation
Portal Trust
National Lottery Community Fund
Wandsworth Borough Council
Wimbledon Foundation
Youth Music

Trustees' report 31 March 2024

THANKS (continued)

Individual donors and hive members

Catherine Weston
Charles Bland
Charles Holloway OBE
Chris and Alison Cabot
Christopher Hall
David Jubb
Eric Bensaude
Francesca Valli
Francine Stock
Henrietta Marsh
Hermione Stanford
Jonathan Wakeham
Justin Shinebourne
Patrick Harrison
Rafe Offer
Rosalind Given-Wilson
Sally O'Neill
Simon Hooper
The Siskind Family
Stuart Doole

Corporate partners and members

Apple
Bloomberg Philanthropies

Thank you also to our funders who wish to remain anonymous, and to all our hugely generous individual supporters, Hive Members and Friends who support us every year.

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.

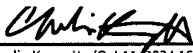
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the *Companies Act 2006*.

Trustees' report 31 March 2024

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:



Claudia Kenyatta (Oct 11, 2024 16:02 GMT+1)

Chair of Trustees

Date Oct 11, 2024

Independent auditor's report Year to 31 March 2024

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 2024 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 2024 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.

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.

Independent auditor's report Year to 31 March 2024

Other information (continued)

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.

Independent auditor's report Year to 31 March 2024

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.

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.

Independent auditor's report Year to 31 March 2024

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

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.

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.



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

21 October 2024

Consolidated statement of financial activities
(including income and expenditure account) Year to 31 March 2024

		Unrestricted		Restricted		
	Notes	General £	Designated capital £	Revenue £	Total 2024 £	Total 2023 £
Income from:						
Grants and donations	2	1,217,750	—	896,706	2,114,456	2,596,884
Charitable activities – Theatre and arts centre operations and projects	3	421,801	—	—	421,801	397,281
Other trading activities	4	1,700,017	—	—	1,700,017	1,719,955
Investments	5	44,277	—	—	44,277	19,619
Total income		3,383,845	—	896,706	4,280,551	4,733,739
Expenditure on:						
Raising funds						
. Raising grants and donations	7	220,207	—	—	220,207	205,073
. Other trading activities	4	891,990	—	—	891,990	991,995
Charitable activities		1,112,197	—	—	1,112,197	1,197,068
. Theatre and arts centre operations and projects	6	2,604,197	954,095	1,715,398	5,273,690	5,362,439
Total expenditure		3,716,394	954,095	1,715,398	6,385,887	6,559,507
Net (expenditure)/income		(332,549)	(954,095)	(818,692)	(2,105,336)	(1,825,768)
Transfers between funds	17	(148,278)	148,278	—	—	—
Net movement in funds		(480,827)	(805,817)	(818,692)	(2,105,336)	(1,825,768)
Balances brought forward at 1 April 2023		761,451	18,403,280	1,366,047	20,530,778	22,356,546
Balances carried forward at 31 March 2024	18	280,624	17,597,463	547,355	18,425,442	20,530,778

All of the Group'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 2023**

	Notes	Un- restricted general £	Designated capital £	Restricted revenue £	Total 2023 £
<i>Income from:</i>					
Grants and donations	2	1,275,072	—	1,321,812	2,596,884
Charitable activities – Theatre and arts centre operations and projects	3	397,281	—	—	397,281
Other trading activities	4	1,719,955	—	—	1,719,955
Investments	5	19,619	—	—	19,619
		<u>3,411,927</u>	<u>—</u>	<u>1,321,812</u>	<u>4,733,739</u>
Coronavirus Job Retention Scheme		—	—	—	—
Total income		<u>3,411,927</u>	<u>—</u>	<u>1,321,812</u>	<u>4,733,739</u>
<i>Expenditure on:</i>					
<i>Raising funds</i>					
. Raising grants and donations	7	205,073	—	—	205,073
. Other trading activities	4	991,995	—	—	991,995
Charitable activities		1,197,068	—	—	1,197,068
. Theatre and arts centre operations and projects	6	2,760,274	1,002,237	1,599,928	5,362,439
Total expenditure		<u>3,957,342</u>	<u>1,002,237</u>	<u>1,599,928</u>	<u>6,559,507</u>
Net (expenditure)/income		(545,415)	(1,002,237)	(278,116)	(1,825,768)
Transfers between funds	17	<u>95,273</u>	<u>(95,273)</u>	<u>—</u>	<u>—</u>
Net movement in funds		(450,142)	(1,097,510)	(278,116)	(1,825,768)
Balances brought forward at 1 April 2022		<u>1,211,593</u>	<u>19,500,790</u>	<u>1,644,163</u>	<u>22,356,546</u>
Balances carried forward at 31 March 2023	18	<u>761,451</u>	<u>18,403,280</u>	<u>1,366,047</u>	<u>20,530,778</u>

All of the Group'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.


The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements. The parent undertaking's total income for the year was £3,105,035 (2023 - £3,331,878) and its financial result for the year was a loss of £2,168,298 (2023 – a loss of £2,085,634)

Balance sheets 31 March 2024

	Notes	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Fixed assets					
Tangible fixed assets	11	17,347,645	17,347,645	18,070,591	18,070,591
Investments	12	—	2	—	2
		<u>17,347,645</u>	<u>17,347,647</u>	<u>18,070,591</u>	<u>18,070,593</u>
Current assets					
Stock	13	11,359	—	9,737	—
Debtors	14	800,226	601,486	584,107	432,522
Cash at bank and in hand		1,431,816	916,139	2,678,429	1,808,154
		<u>2,243,401</u>	<u>1,517,625</u>	<u>3,272,273</u>	<u>2,240,676</u>
Liabilities					
Creditors: amounts falling due within one year	15	(1,057,126)	(859,069)	(812,086)	(245,246)
Net current assets		<u>1,186,275</u>	<u>658,556</u>	<u>2,460,187</u>	<u>1,995,430</u>
Non current liabilities					
Creditors: amounts falling due after one year		(108,478)	(108,478)	—	—
Total net assets	18	<u>18,425,442</u>	<u>17,897,725</u>	<u>20,530,778</u>	<u>20,066,023</u>
The funds of the Group and Charity:					
Restricted funds	16	547,355	547,355	1,366,047	1,366,047
Designated capital fund	17	17,597,463	17,597,463	18,403,280	18,403,280
Unrestricted general funds		280,624	(247,093)	761,451	296,696
Total funds		<u>18,425,442</u>	<u>17,897,725</u>	<u>20,530,778</u>	<u>20,066,023</u>

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements. The parent undertaking's total income for the year was £3,105,035 (2023 - £3,331,878) and its financial result for the year was a loss of £2,168,298 (2023 – a loss of £2,085,634).

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:


Claudia Kenyatta (Oct 11, 2024 16:02 GMT+1)

Chair of Trustees - Claudia Kenyatta

Date: Oct 11, 2024

Consolidated statement of cash flows Year to 31 March 2024

	Notes	2024 £	2023 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(1,262,173)	(655,999)
Cash flows from investing activities:			
Investment income		44,277	19,619
Purchases of property, plant and equipment		(34,717)	(23,138)
Disposal of assets		6,000	—
Net cash provided by/used in investing activities		15,560	(3,519)
Change in cash and cash equivalents in the year		(1,246,613)	(659,518)
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 April 2023		2,678,429	3,337,947
Cash and cash equivalents at 31 March 2024	B	1,431,816	2,678,429

Notes to the statement of cash flows for the year to 31 March 2024

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

	2024 £	2023 £
Net expenditure for the reporting period (as per the statement of financial activities)	(2,105,336)	(1,825,768)
Adjustments for:		
Depreciation charges (note 12)	953,901	1,002,237
Non-cash fixed asset addition	(89,511)	—
Investment income	(44,277)	(19,619)
Increase in stocks	(1,622)	(5,075)
Increase in debtors	(216,119)	(215,038)
Increase in creditors	245,040	407,264
Profit on disposal of fixed assets	(4,249)	—
Net cash used in operating activities	(1,262,173)	(655,999)

B Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	1,431,816	2,678,429
Total cash and cash equivalents	1,431,816	2,678,429

C Analysis of changes in net debt:

	1 April 2023 £	Cash flows £	New finance leases £	31 March 2024 £
Cash at bank and in hand	2,678,429	(1,246,613)	—	1,431,816
Finance lease obligations	—	—	(108,478)	(108,478)
Total	2,678,429	(1,355,091)	(108,478)	1,323,338

Principal Accounting Policies Year to 31 March 2024

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 2024.

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.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements. The parent undertaking's total income for the year was £3,105,035 (2023 - £3,331,878) and its financial result for the year was a loss of £2,168,298 (2023 – a loss of £2,085,634).

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.

Assessment of going concern

The trustees have assessed BAC's ability to continue as a going concern. They believe the Charity will continue to operate for a period of at least 12 months from the date of signing these accounts and have considered several factors when forming this conclusion.

Principal Accounting Policies Year to 31 March 2024

Assessment of going concern (continued)

At end of March 2024, unrestricted reserves (£429k) and designated capital reserves (£200k) sit slightly ahead of the targets referenced previously in the reserves policy. These reserves are available to absorb short-term deficits as the organisation continues to transition to more normal operating patterns and a renewed business plan post the Covid-19 pandemic.

Ongoing annual unrestricted funding as part of Arts Council England's National Portfolio, secured through to March 2026, alongside growth in BAC Enterprises provides a solid foundation to the years ahead.

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 2026 has been agreed by the Trustees. Draft budgets approved to March 2026, which demonstrate the Charity retaining Unrestricted reserves and having sufficient resources to continue operating for the foreseeable future. Accordingly, the accounts have been prepared on the basis that BAC is 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.

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.

Principal Accounting Policies Year to 31 March 2024

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 8. 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.

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.

Principal Accounting Policies Year to 31 March 2024

Fund structure

Funds held by the Charity are either:

- ◆ **Unrestricted funds**
General funds - these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.
- ◆ **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 2024

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 2024 £	Grants £	Sponsor- ships & donations £	In kind £	Total 2023 £
Unrestricted general:								
Arts Council England – NPO	706,665	—	—	706,665	706,665	—	—	706,665
Wandsworth Borough Council rent and charges in kind (see below)	—	—	150,000	150,000	—	—	150,000	150,000
Other activity	—	361,085	—	361,085	—	418,407	—	418,407
	<u>706,665</u>	<u>361,085</u>	<u>150,000</u>	<u>1,217,750</u>	<u>706,665</u>	<u>418,407</u>	<u>150,000</u>	<u>1,275,072</u>
Restricted: project income								
Trusts, Lottery and Foundation Grants	896,706	—	—	896,706	1,321,812	—	—	1,321,812
	<u>896,706</u>	<u>—</u>	<u>—</u>	<u>896,706</u>	<u>1,321,812</u>	<u>—</u>	<u>—</u>	<u>1,321,812</u>
Total	<u>1,603,371</u>	<u>361,085</u>	<u>150,000</u>	<u>2,114,456</u>	<u>2,028,477</u>	<u>418,407</u>	<u>150,000</u>	<u>2,596,884</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.

3 Income from charitable activities – Theatre and arts centre

	2024 £	2023 £
Unrestricted		
Admission fees and programmes	213,927	228,887
Other income	207,874	168,394
Total	<u>421,801</u>	<u>397,281</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.

Notes to the Financial Statements Year to 31 March 2024

4 Other trading activities (continued)

	2024 £	2023 £
Summary of profit and loss account		
Turnover	1,700,017	1,719,955
Cost of sales and administrative expenses	(1,106,185)	(1,188,816)
Net profit	593,832	531,139
Amount gifted to Charity	(530,868)	(271,270)
Retained in the subsidiary	62,964	259,869
Current assets	871,611	1,216,766
Creditors: amounts falling due within one year	(343,892)	(752,011)
Total net assets	527,719	464,755
Aggregate share capital and reserves	527,719	464,755

5 Investment income

	2024 £	2023 £
Total:		
CCLA Investment Management Ltd (interest bearing deposit account)	44,277	19,619

6 Expenditure on charitable activities

	Developing & staging theatre £	Supporting theatre creators £	Participation £	Total 2024 £
Producing costs	537,935	664,508	379,719	1,582,162
Marketing and press	18,602	22,979	13,131	54,712
Production and technical	40,770	50,363	28,779	119,912
Theatre operations - Producing	116,986	144,512	82,578	344,076
Governance	62,401	77,084	44,048	183,533
Support Costs (note 7)	1,016,360	1,255,504	717,431	2,989,295
Total	1,793,054	2,214,950	1,265,686	5,273,690
	Developing & staging theatre £	Supporting theatre creators £	Participation £	Total 2023 £
<i>Producing costs</i>	660,069	815,380	465,931	1,941,380
<i>Marketing and press</i>	16,597	20,502	11,715	48,814
<i>Production and technical</i>	46,029	56,858	32,491	135,378
<i>Governance</i>	64,195	79,300	45,314	188,809
<i>Support costs (note 7)</i>	1,036,340	1,280,184	731,534	3,048,058
Total	1,823,230	2,252,224	1,286,985	5,362,439

Support and governance costs are analysed further in note 7.

Notes to the Financial Statements Year to 31 March 2024

7 Analysis of support costs

	Charitable activities £	Fundraising £	Total 2024 £
Support costs			
Support staff costs	1,340,527	145,044	1,485,571
Office and equipment	399,215	43,195	442,410
Premises costs	295,458	31,968	327,426
Depreciation	954,095	—	954,095
Total	2,989,295	220,207	3,209,502

	Charitable activities £	Fundraising £	Total 2023 £
<i>Support costs</i>			
<i>Support staff costs</i>	1,443,057	144,231	1,587,288
<i>Office and equipment</i>	255,494	25,536	281,030
<i>Premises costs</i>	347,271	35,306	382,577
<i>Depreciation</i>	1,002,237	—	1,002,237
<i>Total</i>	<i>3,048,059</i>	<i>205,073</i>	<i>3,253,132</i>

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

8 Staff costs and Trustees' remuneration

	Group 2024 £	Group 2023 £
Wages and salaries	1,958,351	2,055,877
Social security costs	170,865	185,425
Pension costs	43,790	47,939
Freelancers	39,438	30,234
	2,212,444	2,319,475

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2024 No.	2023 No.
£60,001 - £70,000	1	—
£70,001 - £80,000	1	1

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

8 Staff costs and Trustees' remuneration (continued)

Redundancy

Included within staff costs are redundancy payments of £11,884 (2023 – £15,065)

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

	2024 No.	2023 No.
Producing	13	16
Theatre management and Front of House	12	16
Management and administration	9	9
Café-bar and Halls bars	5	3
Production and technical	7	6
Venue hire	8	7
Communications	4	6
Development	2	2
Total	60	65

The average monthly number of employees, calculated on an average headcount basis, during the year was 67 (2023 – 73).

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The key management personnel of BAC are the directors, the Artistic Director, the Chief Operating Office and the Head of Finance. Aggregate compensation paid to key management personnel in the year amounted to £246,754 (2023: £246,414).

Pension commitments

The Charity operates a defined contribution workplace 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 £39,438 (2023 – £47,939). At the year-end £7,552 was payable to the scheme (2023 – £8,025).

9 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 2024

10 Auditor's remuneration

The auditor's remuneration of £19,570 (2023: £18,290) related solely to the audit and includes an amount of £3,280 (2023: £3,065) relating to BAC Enterprises Ltd.

11 Tangible fixed assets

	Long leasehold property £	Fixtures and fittings £	Plant and equipment £	Total £
Cost				
At 1 April 2023	24,583,748	355,960	863,790	25,803,498
Additions	89,511	23,237	130,323	243,071
Disposals	(1,142)	(137,359)	—	(138,501)
At 31 March 2024	24,672,117	241,838	994,113	25,908,068
Depreciation				
At 1 April 2023	6,559,034	341,361	832,512	7,732,907
Charge for the year	895,355	21,898	36,648	953,901
Disposals	—	(126,385)	—	(126,385)
At 31 March 2024	7,454,389	236,874	869,160	8,560,423
Net book value				
At 31 March 2024	17,217,728	4,964	124,953	17,347,645
At 31 March 2023	18,024,714	14,599	31,278	18,070,591

12 Investments - Charity

	2024 £	2023 £
Investment in subsidiary undertaking, at cost	2	2

13 Stock

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Stock of purchased goods: bar catering	11,359	—	9,737	—

14 Debtors

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Accrued income	35,417	35,417	53,917	53,917
Other debtors	666,287	326,844	486,768	152,605
Prepayments	98,522	93,389	43,422	40,829
VAT recoverable	—	145,836	—	180,338
Amounts due from group undertakings	—	—	—	4,833
	800,226	601,486	584,107	432,522

15 Creditors: amounts falling due within one year

	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Trade creditors	254,139	222,729	124,065	115,112
Taxes and social security	140,946	65,574	155,813	63,095
Other creditors	25,633	25,632	23,045	23,045
Accruals	73,216	66,522	39,079	33,995
Deferred income (see below)	563,192	75,770	470,084	9,999
Amounts due to group undertakings	—	402,842	—	—
	1,057,126	859,069	812,086	245,246
Deferred income:				
Balance brought forward	470,084	9,999	171,065	17,063
Future Box Office and grant income received in year	563,192	75,770	470,084	9,999
Released to revenue during the year	(470,084)	(9,999)	(171,065)	(17,063)
Balance carried forward	563,192	75,770	470,084	9,999

16 Restricted funds

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

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2024 £
The Agency	257,150	553,500	(491,062)	—	319,588
Horizon	743,924	161,320	(816,853)	—	88,391
Digital Transformation/Dashboard	173,467	—	(101,065)	—	72,402
Other projects	191,506	181,886	(306,418)	—	66,974
	1,366,047	896,706	(1,715,398)	—	547,355
	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2023 £
The Agency	272,375	308,708	(323,933)	—	257,150
Horizon	752,118	787,500	(795,694)	—	743,924
Digital Transformation/Dashboard	—	173,467	—	—	173,467
Other projects	619,670	52,137	(480,301)	—	191,506
	1,644,163	1,321,812	(1,599,928)	—	1,366,047

Project funds are specifically used to support individual elements of the artistic and participatory programmes.

17 Designated funds

The income funds of the Group and 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 2023 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2024 £
Designated capital fund	18,203,280	—	(954,095)	98,460	17,347,645
Designated building reserve	200,000	—	—	49,818	249,818
	18,403,280	—	(954,095)	148,278	17,597,463

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2023 £
Designated capital fund	19,300,790	—	(1,002,237)	(95,273)	18,203,280
Designated building reserve	200,000	—	—	—	200,000
	19,500,790	—	(1,002,237)	(95,273)	18,403,280

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. In the year a correction was made to the Designated Capital fund resulting in £148,278 fund movement in the year and £95,273 in the previous year.

18 Analysis of net assets between funds

	General funds £	Restricted funds £	Designated funds £	2024 Total funds £
Tangible fixed assets	—	—	17,347,645	17,347,645
Net current assets	280,624	547,355	368,296	1,186,275
Non-current liabilities	—	—	(108,478)	(108,478)
	280,624	547,355	17,597,463	18,425,442

	General funds £	Restricted funds £	Designated funds £	2023 Total funds £
Tangible fixed assets	—	—	18,070,591	18,070,591
Net current assets	761,451	1,366,047	332,689	2,460,187
	761,451	1,366,047	18,403,280	20,530,778

19 Operating lease commitments

At 31 March 2024, the Charity's future minimum lease payments under non-cancellable operating leases were as follows:

	Office equipment	
	2024 £	2023 £
Amounts due:		
Within one year	3,955	3,414
	3,955	3,414

20 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.

	2024 £	2023 £
Wandsworth Borough Council:		
Service Level Agreement	—	—
Rent in-kind	150,000	150,000
	150,000	150,000
Amounts outstanding as at 31 March	Nil	Nil

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) was the Director of Finance at BAC (until 31 October 2023) a total of £nil in 23/24 (2022/23 - £48,959) was paid to Arts at the Mill CIC as partner fees in line with the partner agreement. Also, in the year ended 31 August 2023, an amount of £100,000 was paid to Arts at the Mill via a conduit agreement for a grant. This amount was refunded to BAC during the year ended 31 March 2024.

During the year ended 31 March 2024, donations of £4,612 were received from trustees (2022/23 - £nil).