

LYRIC THEATRE HAMMERSMITH LIMITED

(A Company Limited by Guarantee)

Registered Company No. 1443809

Registered Charity No. 278518

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018



LYRIC THEATRE HAMMERSMITH LIMITED
CONSOLIDATED FINANCIAL STATEMENTS 2017-2018

The trustees of the Lyric Hammersmith are pleased to present their report together with the financial statements for the year ending 31 March 2018.

Company Details

Registered Name: The Lyric Theatre Hammersmith Limited (Lyric Hammersmith)

Registered Charity No: 278518

Registered Company No: 1443809

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

Joint Chief Executives: Sian Alexander (Executive Director)
Sean Holmes (Artistic Director) (to 20 October 2018)

Advisers

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

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

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

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

Constitution

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

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Trustees Report
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STRATEGIC REPORT

OBJECTIVES AND ACTIVITIES

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

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

OBJECTIVES FOR 2015-18

Our key objectives for 2015-2018 as set out in our Business Plan were:

- To strengthen the Lyric's reputation as an iconic, welcoming public building in the heart of Hammersmith for the local and London-wide community
- To produce and present great theatre for the enjoyment/stimulation of audiences of all ages and backgrounds at our home in Hammersmith
- To nurture a new diverse generation of theatre artists, technicians and managers.
- To engage young people from West London in high quality, affordable activities in a wide range of art forms to help develop their creative, social, personal and economic potential.
- To engage young people from socially excluded and disadvantaged backgrounds in West London in high quality creative learning opportunities to help develop their creative, social, personal and economic potential.
- To work with Hammersmith & Fulham schools to deliver a top quality creative education.
- To tour the Lyric's work nationally and internationally for the purposes of building audiences, reputation, and, where appropriate, commercial gain.
- To aim to ensure the Lyric's workforce is as diverse as the city we live and work in (in terms of ethnicity, disability and socio-economics).
- To grow our digital understanding and capacity and develop new ways of working that exploit modern technologies both for artistic and communication purposes.
- To continue to reduce the Lyric's long term impact on the environment and become a model of practice for other cultural organisations nationally.
- To develop a commercially clever and sustainable income generation model for the theatre for the next four years and beyond.

In shaping our objectives the trustees considered the Charity Commission's guidance on public benefit.

ACTIVITY IN 2017-18

In 2017-18 we have been looking forward to the next five years. We have completed a new business plan for 2018-2022 and secured ongoing revenue funding from Arts Council England and the London Borough of Hammersmith and Fulham for this period.

We produced a varied annual Main House programme designed to attract a broad audience, selling 95,538 tickets and ranging from panto to a new stage adaptation of the Derek Jarman

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film *Jubilee*. We again programmed during the summer, with the return of *Fantastic Mr Fox*, which had proved successful with our family audiences in early 2017.

We continue our extended Little Lyric programme with additional performances up to May half-term and we took our successful production of *Father Christmas* to Hong Kong as well as mounting an additional production in Birmingham.

Working with our partner organisations, we have expanded and developed our wide-ranging programme of multi-artform activities for children and young people, relaunching the programme under the banner Young Lyric. The programme had over 32,000 attendances in this year.

We launched pilots of two new projects designed to develop new ways of working with young people and supporting the development of creativity and talent locally. These were the Lyric Ensemble, a training programme for emerging theatre performers and a new Local Cultural Education partnership involving schools and arts organisations in Hammersmith and Fulham.

Our Free First Night Scheme continues to open our productions to local people - this year we gave 2,518 free tickets to people who live or work locally including many who could not otherwise access the theatre, plus another 1,909 to local schools for panto.

During the year we also undertook planning and fundraising for a major refurbishment of both our Main House theatre and our Studio Theatre to take place in summer 2018.

THEATRE PROGRAMME

During 2017-18 we produced the following main house shows:

Terror by Ferdinand von Schirach, translated by David Tushingham, directed by Sean Holmes

This was a hugely successful production of a German play, which received its UK premiere at the Lyric.

'you'll see nothing else this year more likely to keep you debating what you've just seen..' ****
The Times

Fantastic Mr Fox adapted for the stage by Sam Holcroft from the book by Roald Dahl, A Nuffield and Curve Production in association with Lyric Hammersmith

This production returned to the Lyric in August 2017 at the end of its UK tour, following sold out performances in January/February 2017.

The Seagull, by Anton Chekov, in a new adaptation by Simon Stephens, directed by Sean Holmes

A new adaptation of the Chekov classic by Simon Stephens, starring Lesley Sharp as Irina.

'one of the funniest Seagulls, but also one of the most heartbreaking.' **** The Guardian

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Jack and the Beanstalk by Joel Horwood, directed by Sean Holmes

Our annual pantomime continues to go from strength to strength. *Jack and the Beanstalk* was once again directed by Sean Holmes. This year we sold over 30,000 tickets and smashed our previous box office record.

'Fee-fi-fo-fum, this sparkly panto is just loads of fun' **** Evening Standard

Things I know to be true by Andrew Bovell, co-produced by Frantic Assembly and State Theatre Company of South Australia in association with Lyric Hammersmith

Frantic Assembly returned to the Lyric with this popular production.

'...a thing of beauty' ***** The Telegraph

Jubilee Adapted for the stage by Chris Goode from the original screenplay by Derek Jarman and James Whaley. A Royal Exchange, Lyric Hammersmith and Chris Goode & Company co-production.

A new stage adaptation of the 1977 Derek Jarman film, updated for a new generation.

'A fiercely powerful staging' **** Time Out

The Plough and the Stars by Sean O'Casey, directed by Sean Holmes. A co-production with the Abbey Theatre.

A revival of the 2016 sell-out Abbey production.

'[a] refreshed, high energy restaging' **** The Guardian

CHILDREN'S PROGRAMME

Our Little Lyric programme of work for children and families included 196 performances in the Studio. We remounted our popular Christmas show for very young audiences, an adaptation of Raymond Briggs' *Father Christmas*.

'Magnificent!' ***** The Observer

Our programme included:

- May half term: Stuff and Nonsense *The Emperor's New Clothes*
- Autumn half term: Pied Piper *Burglar Bill*
- Christmas holiday: Raymond Briggs' *Father Christmas* (A Lyric Hammersmith Production)
- February half term: Pied Piper Theatre *Hare & Tortoise*
- Saturday Shows:
 - o Tessa Bide *A Strange New Space*
 - o Topsy Turvy Theatre *Isabel's Well*
 - o Garlic Theatre *Little Red Robin Hood*

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- o Long Nose Puppets *Pat-a-Cake Baby*
- o Open Attic Company *Tales in the Attic*
- o Metta Theatre *Blown Away*
- o Box Tale Soup *The Wind in the Willows*
- o Rhubarb Theatre *Sidney's Shed*
- o Turtle Key Arts *Your Toys*
- o House of Stray Cats *The Dream Factory*
- o Folksy Theatre *The Snow Queen*
- o Theatre of Widdershins *Three Billy Goats Gruff*
- o Half Moon *Fairytales gone Bad*
- o Angel Heart Theatre *Snow White: The Return of the Little Things*
- o Soap Soup Theatre *The Pixie's Scarf*
- o The Wardrobe Ensemble *The Star Seekers*
- o Pickled Image *Yana and the Yeti*
- o Topsy Turvy Theatre *Christopher's Caterpillars*
- o Little Angel Theatre *Red Riding Hood and the Wolf*
- o Engine House *Grandad's Island*
- o M6 Theatre Company *A Tiger's Tale*

BEYOND THE LYRIC

Theatre in the Square - In May and June 2017, as part of the Hammersmith London Summer Festival, we again commissioned work to be performed in Lyric Square during the day:

- o Far from the Norm *Da Native*
- o Zest Theatre *First Person*

The Lyric is committed to touring its work both nationally and internationally, and extending our work beyond our walls.

During 2017 our production of *Terror* toured to the Brisbane Festival, playing to audiences of over 2,600 people. We also took our production of *Father Christmas* to Hong Kong for one week, playing to 3000 people and co-produced a separate production at Birmingham MAC with audiences of over 11,000.

We have been successful in our application to the Arts Council for mid-scale touring funding and mounted a UK tour of our successful production of *A Midsummer Night's Dream*, which took place in April - June 2018.

YOUNG PEOPLE'S PROGRAMME

Our commitment to nurturing the creativity of young people from all walks of life is at the heart of our work and was central to the development of the Reuben Foundation Wing. We do powerful work with young people, many from marginalised and disadvantaged backgrounds, ensuring that the arts are open to all. We provide low cost classes, schools partnerships and specialised programmes for the most vulnerable young people. There were more than 32,000 attendances at young people's classes and activities. The majority of our classes cost £3.50 or less and we

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expanded our bursary scheme to offer at least one free place to a young person in each class.

We have a particular focus on nurturing the next generation of theatre artists, technicians and managers from a wide range of backgrounds helping to diversify our industry. We have been recognised by the Arts Council for our sector leading role in creating alternative pathways into the arts for young people.

Our activities in 2017-18 included:

Open Access

Our programme of creative activities for young West Londoners after school, at weekends and holidays.

Targeted Activity

Our programme of work for young people most at risk to help achieve their potential. During 2017-18 our flagship programmes START and REWIND supported over sixty marginalised young people helping them to build new skills to re-engage with education or employment. 80% of our START participants have re-engaged with employment, education or training for at least two years after attending. We continued our innovative Open Doors project with the Tri-Borough Virtual School, which focused on arts engagement for looked-after children and their carers.

We also worked with Wandsworth Virtual School over an extended period, to develop a production with looked-after children, which was performed during the NT Connections Festival in May 2018.

Education

Our programme of work for schools aims to engage with all schools in Hammersmith & Fulham during the year and to work in long-term strategic partnership with specific schools. Initiatives included workshops, back-stage tours, assembly talks and taster sessions, post-show talks, free and reduced price tickets, enrichment activities and bespoke creative activity days.

During 2017-18 we launched a Local Cultural Education Partnership (LCEP), working together with our partners to offer Hammersmith & Fulham schoolchildren the opportunity to experience consistent and high quality arts provision.

We are also working with London South Bank University to develop an MA course, starting in 2018, with teaching provided in part by the Lyric.

Next Generation

The third year of our flagship Evolution Festival celebrating the ground-breaking work of young artists took place in March 2018. This year the festival celebrated the importance of the individual and the idea of 'Self'. The Evolution Festival creates a safe and creative space for artists to share their work, represents the diverse and multi-cultural talent in London and allows young artists to connect with a wider audience.

In September 2017 we recruited our first Lyric Ensemble, offering fifteen young people, aged 18 to 25, the opportunity to train in theatre and performance, working with a professional director and creative team and to create a new piece of theatre. The Ensemble worked with

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director Anne-Louise Sarks, to devise a full-length production which premiered in June 2018. Lyric Ensemble members become part of the Lyric for one year and receive mentoring, careers advice and pastoral support.

Our programme of apprenticeships, internships and work experience offering young adults professional training and employment in the creative industries continued to be a key way for us to develop talent and diversify the industry. In 2017-18 we employed three apprentices across a number of departments at the Lyric and we also worked with Creative Access to offer year-long paid internships to three BAME graduates just starting their careers in the arts.

Our Alumni Scheme continues to support young graduates of the Lyric programmes into opportunities for training and paid employment in the arts. During 2017-18 we trained and employed fifteen alumni in roles supporting classes and promoting the activities at the Lyric in local schools.

'The Lyric is bringing on a new generation of actors. None of them from Eton' The Observer, January 2016.

PARTNERSHIPS

The Lyric is the largest creative hub in West London and home to an innovative partnership of like-minded organisations who work together to develop and deliver the most extensive programme of high quality multi-art form activities for young people of any theatre in the country.

In 2017-18 we have worked with nine partner arts organisations, most of whom are based permanently in our building, to deliver the widest range of affordable and accessible classes and projects, providing a creative home for young West Londoners. Our partners are Action on Disability, Amici Dance Theatre, Dance West, Musiko Musika, New English Ballet Theatre, Tri-borough Music Hub, Turtle Key Arts, Zoo Nation and TeaFilms.

GREEN

The Lyric is fully committed to reducing its impact on the environment. We include 'environmentally friendly' within our mission, and one of our Key Business Aims is 'to reduce the theatre's long term impact on the environment and become a model of best practice for other cultural organisations'.

We were the first ever venue to be awarded the 3 star Industry Green rating for our commitment to environmental sustainability back in 2012, the highest possible rating.

The Creative Green scheme has now been updated to a points based 5 stars system and in 2017-18 we were delighted to be one of the first cultural venues to be awarded 5 stars.

Other achievements this year included:

- We engaged with audiences, partner organisations and staff through our highly successful #plasticfreelyric initiative. This campaign encouraged staff and audiences to reduce their use of single use plastic. We stopped selling plastic water bottles across our bars and catering outlets and reduced our use of disposable plastics around the

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Lyric. The campaign attracted media attention and interest from other theatres and arts organisation and has inspired similar campaigns in other theatres.

- We continue to promote Cyril the polar bear, our green mascot, who features on our social media and in our brochures, with a particular appeal for children.
- We work with suppliers who share our commitment to sustainability and help us to improve the use of resources across the organisation. In 2017-18 we changed our electricity supply to a fully green supply, sourced from 100% renewables and a frack free gas supply.

The Lyric Green Team draws from a cross-section of the organisation, all of whom are passionate about driving down the Lyric's emissions and making the organisation more sustainable. Established in 2010, the team meets regularly and reviews the action plan at each meeting. The team also works on individual and group projects, as well as discussing ways to raise awareness and change behaviour across the building.

DIVERSITY

Diversity is at the heart of our mission and business plan and is actively championed by our Chair and Chief Executives.

Our artistic programme has reflected a diverse range of stories including mental health, gender reassignment, LGBTQ+ narratives and contemporary societal issues. We particularly champion diversity in casting, nurture diverse talent through all our in house work and seek to positively influence the casting decisions of co-producing partners.

We have continued to broaden the diversity of our workforce, successfully increasing the percentage of permanent employees and freelance artists from BAME backgrounds in line with our diversity action plan. In 2017-18 we once again worked with Creative Access to offer paid internships to three BAME young people.

Our extensive young people's programme has a particular focus on providing opportunities for young people from socially excluded or disadvantaged backgrounds, who often have protected characteristics or come from more deprived socio-economic groups. During 2017-18 our programmes have engaged young disabled people, those from BAME backgrounds, looked after children, young offenders and those who are, or are at risk of becoming NEET (not in education, employment or training). This has included both specialised programmes and integrated programmes specifically designed to be inclusive for a wide range of young people of all backgrounds.

We address audience diversity by keeping our ticket pricing low, through our Free First Night ticket scheme, by increasing the number of our access performances and by ensuring that the stories on our stages, and the artists who make and perform the work we programme, are reflective of all aspects of society.

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FINANCIAL AND RISK REVIEW

FINANCIAL PERFORMANCE

In 2017-18 we achieved an overall surplus on unrestricted funds for the year of £195,928, including taxation but before transfers to designated and restricted funds. We initially budgeted a deficit of £134,198 but we achieved additional net income from our theatre programme and were able to make savings on staffing and overhead expenditure.

RESERVES

At the end of March 2018, our total reserves were £9,978,651 of which £7,776,583 were restricted and mainly represent the undepreciated value of fixed assets. This leaves £2,202,068 unrestricted funds, of which £1,703,588 are designated and held for specific purposes. The balance of £498,480 represents our unrestricted general funds, which the Charity Commission defines as free reserves.

Lyric policy is to maintain free reserves at approximately £500,000. The level of free reserves has been set to provide us with working capital to cover three to six months of operating expenses and provide a sensible contingency against unexpected shortfalls in ticket office or fundraising income.

The Board transferred £120,000 of the unrestricted surplus to the General Building Reserve to provide for the refurbishment of the Main House and Studio theatres and to build funds for the future maintenance and renewal of the Lyric facilities. The Board also designated £30,000 of the remaining unrestricted surplus to our Programme Development Fund to support the delivery of the artistic programme in future years, a further £20,000 to our Organisational Development fund and £25,000 from energy savings to a new Green fund to provide the Lyric with the ability to make investments in energy efficiency or other projects which would support our aim of reducing carbon emissions. See Notes to Financial Statements, Note 16 on page 33.

RISK MANAGEMENT

The company has a comprehensive risk management strategy including a Crisis Management and Disaster Recovery Plan and Risk Register. The Register assesses the major risks faced by the company, and an outline of strategies to mitigate such risks and reduce their impact. The Register is reviewed annually by the Board.

Key Risks

The most significant risks that the company currently faces are:

Risks around box office and fundraising targets

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

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We raise an increasingly significant amount of our total income from donations and support from trusts, companies, individuals, the public sector and our commercial activity. We set realistic targets which are regularly monitored against confirmed income and reforecast the overall budget according to our performance in this area, given the current financial climate.

Risks around economic instability and generation of earned income

We are working to develop and diversify our income streams but we are aware that in the early stages new initiatives may not achieve target. Economic instability in coming years due to Brexit or other downturns is also likely to result in an increasingly challenging funding climate and a reduction in the spending power of our audiences. We have once again increased our Programme and Organisational Development funds in 2017-18 to allow us to maintain the artistic ambition of the organisation in future years in the event of sustained losses and to invest in new opportunities.

Changes of Artistic leadership

In January 2018 Lisa Burger was appointed Chair of Trustees succeeding Sir William Atkinson. Lisa is Executive Director of the national theatre and has served as a Lyric trustee since 2012.

In Summer 2018 we announced the forthcoming departure of Sean Holmes, after ten years as Artistic Director at the Lyric. We were also delighted to announce the appointment of Rachel O'Riordan, currently Artistic Director of the Sherman theatre, Cardiff as his successor.

Inevitably, this change will offer both opportunities and risks to the Lyric as the new Artistic Director makes the role their own. However, the Lyric is run by our Artistic and Executive Directors as Joint Chief Executives and our current Executive Director, Sian Alexander, has now been in post for three years offering continuity and stability in the executive leadership of the building.

Our Programme Development fund is intended to facilitate artistic risk-taking in the next few years.

FUNDRAISING

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

There is a dedicated permanent fundraising team at the Lyric made up of the Director of Development, Development Manager and Development Officer. They are supported by two different committees (Corporate Advisory Board and Development Committee) of volunteers who advise and support on all fundraising activities, which is overseen by the Lyric's Board. There are no commercial participators used.

The Lyric has a Fundraising Policy, Ethics Policy and Whistleblowing and Anti-Bribery Policy in place which outlines the standards and practices for all Lyric representatives to agree to. The Lyric has recently become a paid member of the Fundraising Regulator, and closely follows the Code of Fundraising Practice and stays up to date with all compliance and regulation around fundraising.

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The Lyric's Board of Trustees are regularly updated on fundraising progress, and the Fundraising Policy outlines the process for accepting and soliciting donations to ensure maximising fundraised income in accordance with the Lyric's Ethics and other policies and the Code of Fundraising Practice. The Director of Development and Executive Director have reviewed and monitored all fundraising activity in the financial year 2017-2018 against these policies and can report that there has been no negligence.

There have been no complaints to date about fundraising for the Lyric.

The Lyric has created Guidelines for Fundraising involving Vulnerable People to advise all Lyric representatives involved in fundraising. The Lyric seeks to ensure that a supporter is equipped with the appropriate information in order to make an informed decision about donations, and where the Lyric has reason to believe that a donor may be experiencing vulnerable circumstances, we will not accept those donations at that time. The Lyric is fully compliant with GDPR legislation in how we use data and communicate with our database. Our Privacy Policy states how we use data in fundraising in order to ensure we are only soliciting gifts from those who are willing and able to support us.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

As set out in the Lyric's Memorandum and Articles of Association, the number of board members of the Lyric Hammersmith shall be not less than ten nor more than sixteen. The Board may appoint such persons as they consider suitable, providing they fall in one of three categories:

1) Professional: *'Up to eight persons, who, in the opinion of the Board, are specially qualified for such office by virtue of their particular experience in the promotion or encouragement of the lively arts and or theatre management'*

2) Community: *'Up to four persons, who, in the opinion of the Board, are specially qualified for such office by virtue of their particular involvement, engagement or employment in or with the community or voluntary sectors or other local organisations or groups within the London Borough of Hammersmith and Fulham.'*

3) Borough Councillors: *'Up to four persons nominated by the London Borough of Hammersmith and Fulham who hold current office as Councillors'*

Board members for 2017-18 were:

Professional

- Lisa Burger (appointed 01 November 2012), Chair from 30 January 2018
- Janet Ellis (appointed April 2009)
- Ashley Herman (appointed 21 June 2013)
- Rajiv Parkash (appointed 27 January 2011, resigned 27 June 2018)
- Liz Elston-Mayhew (appointed 27 June 2018)
- Julie Molloy (appointed 27 June 2018)
- David Sharkey (appointed 27 June 2018)

Community

- Sir William Atkinson (appointed 04 March 2010, resigned 28 June 2018)
- Kamran Mallick (appointed 26 January 2017)
- Sade Brown (appointed 28 June 2018)

Borough Councillors

- Councillor Belinda Donovan (appointed 05 July 2012, resigned 27 June 2018)
- Councillor Adam Connell (appointed 23 June 2014, resigned 27 June 2018)
- Councillor Sue Fennimore (appointed 23 June 2014)
- Councillor Caroline Needham (appointed 29th June 2017, resigned 27 June 2018)
- Councillor Bora Kwon (appointed 27 June 2018)
- Councillor Jonathan Caleb Landy (appointed 27 June 2018)
- Councillor Patricia Quigley (appointed 27 June 2018)

Observers

Both Arts Council England and London Borough of Hammersmith and Fulham are entitled to appoint an observer to attend Board meetings.

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Recruitment and rotation of board members

Four of the Lyric's board members are directly appointed by the London Borough of Hammersmith and Fulham. The remaining twelve places are filled by a process of identification and interview by the Chair and the Chief Executives, following recommendation from other board members and stakeholders, or through open advertisement.

We strive to maintain a board that has a broad range of skills and to promote equal opportunities in board appointments.

Each director is required to retire from office at the first Annual General Meeting after the third anniversary of his/her appointment. They can be re-appointed at the same AGM, but cannot serve more than six consecutive years as a Director of the Company.

Induction and Training of Directors

All new directors are provided with an induction pack which includes

- Lyric's Memorandum and Articles of Association
- Lyric's current business plan
- Lyric staffing structure
- Lyric annual budget
- Lyric's most recent audited accounts
- Lyric Safeguarding Policy
- 'Care, Diligence and Skill': a corporate governance handbook produced by the Arts Council for directors of arts organisations.
- 'The Essential Trustee': a charities governance handbook produced by the Charities Commission

Following their appointment, we endeavour to provide directors with ongoing training by recommending relevant courses for them to attend as appropriate.

Organisational Structure and Decision Making

During 2017-18 the Board met regularly to oversee the overall business of the company. In addition, the Lyric has a Finance and Resources Committee which meets four times a year to oversee the company's finances and any capital/building related matters. The sub-committee reports to the main board.

The members of the **Finance and Resources Committee** in 2017-18 were:

- Rajiv Parkash (Chair)
- Lisa Burger
- Councillor Adam Connell
- Sir William Atkinson

The Board appoint the Joint Chief Executives, Sian Alexander and Sean Holmes, to oversee the day to day management of the company. The Chief Executives have delegated authority, within terms agreed by the Board, for the company's operational activity.

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Related Parties

The Lyric Hammersmith has close relationships with Arts Council England and the London Borough of Hammersmith and Fulham, who are the theatre's principal revenue funders, providing subsidy to enable the company to carry out its charitable activities. The London Borough of Hammersmith and Fulham is also the theatre's landlord. The freehold of the Lyric is now owned by Schrodgers, who lease it to the Borough on a 999 year term. It is currently leased to the Lyric on a 30 year term (most recently renewed in 2002). A new 125 year lease is due to be enacted, which was agreed as part of the Agreement to develop the site with the freeholder and the theatre's landlord. The Lyric currently holds a licence to occupy the theatre and extension.

The Lyric Hammersmith has two wholly owned subsidiaries:

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

Remuneration Policy

The Board of the Lyric Hammersmith do not receive any remuneration.

Remuneration for key management personnel is set as part of the annual budget process with reference to benchmarking of pay and benefits for similar subsidised organisations. Annual pay increments are approved by the Board within the annual budget.

ACKNOWLEDGEMENTS

The Lyric's Chair, Lisa Burger, and the Lyric Board would like to thank all the organisations and individuals that have supported the theatre's programme during the year, and to acknowledge the hard work and dedication of the Lyric's Board and staff, led by the Joint Chief Executives, Sian Alexander and Sean Holmes.

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Trustees Report
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
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The trustees (who are also directors of Lyric Theatre Hammersmith Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

AUDIT INFORMATION

In so far as the trustees are aware:

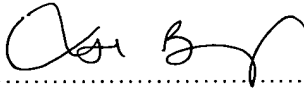
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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.

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APPROVAL

The Trustees' Annual Report and Strategic Report were approved by the Board of Trustees (in their capacity as company directors) on 08 November 2018 and signed on its behalf by:



08 November 2018

Lisa Burger, Chair

Date:

Lyric Theatre Hammersmith Limited
Independent Auditors' Report to the Members
For the year ended 31 March 2018

Opinion

We have audited the financial statements of Lyric Theatre Hammersmith Limited for the year ended 31 March 2018 which comprise the consolidated statement of financial activities, the group and charity balance sheets, the consolidated cash flow statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 March 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue;

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.

Lyric Theatre Hammersmith Limited
Independent Auditors' Report to the Members
For the year ended 31 March 2018

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.

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 includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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

- the group or parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

Lyric Theatre Hammersmith Limited
Independent Auditors' Report to the Members
For the year ended 31 March 2018

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

Auditor's responsibilities for the audit of the financial statements

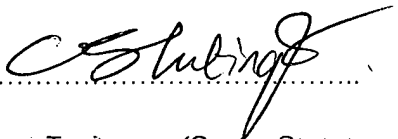
We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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.

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 and the trustees, 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 and trustees 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, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Cara Turtington (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP
Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

28 November 2018

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

Lyric Theatre Hammersmith Limited
Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31 March 2018

	Note	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2018	Total 2017
		£	£	£	£	£
Income						
Donations	3	149,757	-	500	150,257	293,756
Trading income	4	1,160,917	-	-	1,160,917	556,094
Interest received		4,393	-	-	4,393	7,085
Charitable activities						
Theatre and Young People's Programmes	2	2,528,930	-	-	2,528,930	2,921,737
Grants and donations	3	1,373,514	-	358,657	1,732,171	1,754,429
Total income		5,217,511	-	359,157	5,576,668	5,533,101
Expenditure						
Raising funds	6	1,190,571	-	-	1,190,571	459,748
Charitable activities	7	4,026,705	100,309	666,540	4,793,554	5,389,292
Total expenditure		5,217,276	100,309	666,540	5,984,125	5,849,040
Net income/(expenditure) before taxation		235	(100,309)	(307,383)	(407,457)	(315,939)
Taxation	9	195,693	-	-	195,693	184,205
Transfer between funds	16	(187,379)	187,379	-	-	-
Net movement in funds		8,549	87,070	(307,383)	(211,764)	(131,734)
Fund balances brought forward		489,931	1,616,518	8,083,966	10,190,415	10,322,149
Fund balances carried forward		498,480	1,703,588	7,776,583	9,978,651	10,190,415

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

Lyric Theatre Hammersmith Limited
Balance Sheet
For the year ended 31 March 2018

	Note	Group 2018 £	2017 £	Company 2018 £	2017 £
Fixed assets					
Tangible fixed assets	11	8,273,109	8,699,167	8,273,109	8,699,167
Investments	12			3	3
		<u>8,273,109</u>	<u>8,699,167</u>	<u>8,273,112</u>	<u>8,699,170</u>
Current assets					
Stock and Work in progress		70,022	46,554	56,790	36,733
Debtors	13	542,357	351,233	674,719	533,021
Cash at bank and in hand		<u>2,513,767</u>	<u>2,431,747</u>	<u>2,295,660</u>	<u>2,249,523</u>
		3,126,146	2,829,534	3,027,169	2,819,277
Creditors: amounts falling due within one year	14	<u>(1,420,604)</u>	<u>(1,338,286)</u>	<u>(1,321,630)</u>	<u>(1,328,032)</u>
Net current assets		<u>1,705,542</u>	<u>1,491,248</u>	<u>1,705,539</u>	<u>1,491,245</u>
Net assets		<u>9,978,651</u>	<u>10,190,415</u>	<u>9,978,651</u>	<u>10,190,415</u>
Reserves					
Unrestricted funds					
Designated funds	16	1,703,588	1,616,518	1,703,588	1,616,518
General funds	16	<u>498,480</u>	<u>489,931</u>	<u>498,480</u>	<u>489,931</u>
Total unrestricted funds		2,202,068	2,106,449	2,202,068	2,106,449
Restricted funds	15	<u>7,776,583</u>	<u>8,083,966</u>	<u>7,776,583</u>	<u>8,083,966</u>
Total funds		<u>9,978,651</u>	<u>10,190,415</u>	<u>9,978,651</u>	<u>10,190,415</u>

No separate company Statement of Financial Activities (SOFA) has been prepared by the company, as permitted by Section 408 of the Companies Act 2006. The Charity's net income for the year, excluding restricted funds, was £95,619. (2017 £203,803).

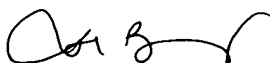
The financial statements were approved by the board and authorised for issue and signed on

08 November 2018:

Lisa Burger, Director

David Sharkey, Director

Registered Company No. 01443809




Lyric Theatre Hammersmith Limited
Consolidated Cashflow Statement
For the year ended 31 March 2018

	2018 £	2018 £	2017 £	2017 £
Consolidated Cashflow Statement				
Net cash inflow from operating activities		104,138		556,594
Returns on investments and servicing of finance				
Interest received		4,393		7,085
Capital expenditure				
Payments to acquire tangible assets		(26,513)		(7,685)
Increase in cash		<u>82,020</u>		<u>555,994</u>
Reconciliation of net income to cash inflow from operating activities				
Net income for the year		(211,764)		(131,734)
Depreciation	452,569		461,929	
Decrease/(increase) in debtors	(191,124)		142,994	
Increase in stock	(23,468)		(46,554)	
Investment income	(4,393)		(7,085)	
Increase in creditors	<u>82,318</u>		<u>137,044</u>	
		<u>315,902</u>		<u>688,328</u>
Net cash inflow from operating activities		<u>104,138</u>		<u>556,594</u>
Reconciliation of net cash flow to movement in net funds				
Increase in cash		82,020		555,994
Opening net funds		<u>2,431,747</u>		<u>1,875,753</u>
Closing net funds		<u>2,513,767</u>		<u>2,431,747</u>
Analysis of net funds				
	At 01 April 2017 £	Cash flows £	At 31 March 2018 £	
Cash at bank and in hand	<u>2,431,747</u>	<u>82,020</u>	<u>2,513,767</u>	
	<u>2,431,747</u>	<u>82,020</u>	<u>2,513,767</u>	

Lyric Theatre Hammersmith Limited
Notes to the Financial Statements
For the year ended 31 March 2018

1. Accounting policies

Company status

The charity is a company limited by guarantee, registered in England and Wales. The registered office is Lyric Theatre, King Street, Hammersmith, London, W6 0QL. The members of the company have served as directors or are currently serving as directors as named on page 11. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

Basis of accounting

The financial statements have been prepared under the historical cost convention. The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1st January 2015.

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

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

Consolidation

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

Going concern

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

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

Lyric Theatre Hammersmith Limited

Notes to the Financial Statements

For the year ended 31 March 2018

Income

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

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

Income from donations and grants, including capital grants, is included in incoming resources when there is entitlement, reasonable certainty of receipt and the amount can be measured with sufficient reliability, unless the donor has specified that the donation or grant relates to a future period or that certain pre-conditions must be fulfilled before use. In these cases amounts received are recognised in the relevant period or when the pre-conditions have been met and until then treated as deferred income. Donations and grants for particular purposes are included in incoming resources as restricted funds.

Gifts in kind have been realised at cost.

Expenditure

Expenditure is recognised when a liability is incurred.

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

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

Tangible fixed assets

Individual fixed assets consisting of amounts greater than £2,500 for IT purchases and £5,000 for fixtures, fittings and equipment with a useful life in excess of one year are capitalised at cost.

Tangible fixed assets are depreciated over their anticipated useful lives in equal instalments. The periods used are:

Lyric Theatre Hammersmith Limited
Notes to the Financial Statements
For the year ended 31 March 2018

Leasehold improvements	the life of the lease
Efficiency improvements	10 years
Equipment and furniture:	
Computer equipment	3 years
Technical equipment	8 years
Roof Garden	12 years
Other	4 years

The proposed useful life for the new building is 20 years.

Investments

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

Financial Instruments

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

Financial assets are recognised in the Charity's statement of financial position when the Charity becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Other financial assets

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period.

Lyric Theatre Hammersmith Limited
Notes to the Financial Statements
For the year ended 31 March 2018

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through the statement of financial activities, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of financial activities.

De-recognition of financial assets

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

Classification of financial liabilities

Basic financial liabilities

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

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expenses recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

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

De-recognition of financial liabilities

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

Lyric Theatre Hammersmith Limited
Notes to the Financial Statements
For the year ended 31 March 2018

2. Income from charitable activities

	2018	2017
	£	£
Ticket sales	2,024,062	2,406,651
Touring Income	111,925	17,500
Co-production Income	119,185	172,894
Royalties Income	2,438	4,519
Front of house sales	80,500	149,488
Theatre rentals	-	75,488
Income from Partners	126,168	118,325
Young People's Income	38,937	33,779
Other income	25,715	59,134
	<u>2,528,930</u>	<u>2,921,737</u>

3. Donations

	2018	2017
	£	£
Individuals	148,207	289,706
Lyric Friends	2,050	4,050
	<u>150,257</u>	<u>293,756</u>
Total shown as donations	<u>150,257</u>	<u>293,756</u>

Income from charitable activities

	2018	2017
	£	£
<i>Public Funding</i>		
Core Funding		
Arts Council England - NPO Funding	1,100,000	1,100,000
London Borough of Hammersmith & Fulham	230,000	230,000
Project Funding		
Arts Council England – Small capital grants	36,000	-
<i>Project Funding</i>		
Creative Access	16,500	-
Triborough Virtual School	13,425	11,945
Wandsworth Virtual School	10,609	2,900
Action on Disability – Journeys Project	2,980	9,000
LTC Apprenticeship Programme	-	9,500
World Stages	-	7,650
Ealing Youth Justice – Summer Arts College	-	6,500
Dance 4 Change	-	2,250
<i>Trusts and Foundations</i>		
Garfield Weston Foundation	-	95,000

Lyric Theatre Hammersmith Limited
Notes to the Financial Statements
For the year ended 31 March 2018

Esmee Fairbairn Foundation	50,074	56,000
John Lyons Charity	55,000	55,000
Sir John Cass Foundaton	34,000	-
Tudor Trust	25,500	34,000
Winton Charitable Foundation	30,000	30,000
The Ironmongers' Company	25,000	20,000
BBC Children in Need	20,850	-
Charles Hayward Foundation	-	17,000
People's Postcode Trust	-	15,000
Shine Trust	17,333	13,000
Wates Foundation	10,000	-
Andrew Lloyd Webber Foundation	10,100	-
McGrath Charitable Trust	10,000	2,000
Aziz Foundation	5,000	10,000
Ashley Family Foundation	5,550	-
Idlewild	4,000	-
Grocers Foundation	5,000	-
Hammersmith United Charities	1,500	6,500
Discovery Foundation	-	5,000
John Thaw Foundation	1,000	4,434
Sam Griffiths Foundation	-	3,000
Fagus Anstruther	2,500	-
Other grants and donations under £2,500	<u>10,250</u>	<u>8,750</u>
Total shown as income from grants and donations	<u><u>1,732,171</u></u>	<u><u>1,754,429</u></u>

4. Trading and Fundraised Income

	2018 £	2017 £
Fundraising events	156,428	-
Corporate Fundraising	57,168	70,910
<i>Commercial trading</i>		
Trading subsidiaries (note 5)	<u>947,321</u>	<u>485,184</u>
	<u><u>1,160,917</u></u>	<u><u>556,094</u></u>

5. Commercial trading operations

The wholly owned trading subsidiary Lyric Hammersmith Enterprises Limited, which is incorporated in England and Wales, pays all its profits to the charitable company by gift aid. Lyric Hammersmith Enterprises Limited manages catering and hires and events activities at the Lyric Hammersmith.

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

Lyric Theatre Hammersmith Limited
Notes to the Financial Statements
For the year ended 31 March 2018

Summary profit and loss account:

	2018 £	2017 £
Turnover	934,351	441,470
Interest	348	254
Cost of sales	(649,517)	(157,524)
Administration expenses	(156,792)	(116,586)
Management fees	(86,686)	(112,823)
Net profit	41,704	54,791
Amount gifted to charity	<u>(41,704)</u>	<u>(54,791)</u>
Retained in the subsidiary	<u><u>-</u></u>	<u><u>-</u></u>

The assets and liabilities of the subsidiary were:

Current assets	364,166	236,781
Creditors: amounts falling due within one year	<u>(364,164)</u>	<u>(236,779)</u>
Total net assets	<u><u>2</u></u>	<u><u>2</u></u>
Retained losses	-	-
Aggregate share capital and reserves	<u>2</u>	<u>2</u>
	<u><u>2</u></u>	<u><u>2</u></u>

The wholly owned trading subsidiary Lyric Worldwide Limited, which is incorporated in England and Wales, pays all its profits to the charitable company by gift aid. Lyric Worldwide Limited provides production services to Lyric Theatre Hammersmith Limited.

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

The company produced eight productions in the year to 31 March 2018.

Summary profit and loss account:

	2018 £	2017 £
Turnover	1,426,794	1,758,736
Cost of Sales	<u>(1,622,488)</u>	<u>(1,940,927)</u>
Net profit/(loss)	(195,694)	(182,191)
Taxation	<u>195,694</u>	<u>184,205</u>
Profit retained in the subsidiary	<u><u>-</u></u>	<u><u>2,014</u></u>

Lyric Theatre Hammersmith Limited
Notes to the Financial Statements
For the year ended 31 March 2018

The assets and liabilities of the subsidiary were:

Current assets	195,695	184,205
Creditors: amounts falling due within one year	<u>(195,694)</u>	<u>(184,204)</u>
Total net assets/(liabilities)	<u><u>1</u></u>	<u><u>1</u></u>
Profit and loss account	-	-
Aggregate share capital and reserves	<u>1</u>	<u>1</u>
Total funds	<u><u>1</u></u>	<u><u>1</u></u>

6. Costs of raising funds

	2018 £	2017 £
Trading companies staff costs (notes 5 & 10)	353,355	143,044
Trading companies other costs (note 5)	382,013	120,855
Fundraising staff costs (note 10)	86,921	53,231
Other direct fundraising costs	80,210	24,141
Support costs (note 8)	<u>288,006</u>	<u>118,477</u>
	<u><u>1,190,505</u></u>	<u><u>459,748</u></u>

7. Analysis of charitable activities

	Activities undertaken directly £	Support Costs £	Total 2018 £	Total 2017 £
Theatre Productions	3,039,755	964,825	4,004,580	4,560,350
Young People's Programme	587,525	187,205	774,730	665,961
Building Project	<u>14,244</u>	<u>-</u>	<u>14,244</u>	<u>7,914</u>
	<u><u>3,641,524</u></u>	<u><u>1,152,030</u></u>	<u><u>4,793,554</u></u>	<u><u>5,389,292</u></u>

Lyric Theatre Hammersmith Limited
Notes to the Financial Statements
For the year ended 31 March 2018

8. Support Costs

	Charitable Activities	Cost of Raising Funds	Total 2018	Total 2017
	£	£	£	£
Finance & Admin Office	197,435	49,359	246,794	229,323
Building Costs	282,410	70,602	353,012	483,757
Administration Costs	244,076	61,018	305,094	417,648
Depreciation	362,055	90,514	452,569	478,417
Irrecoverable VAT	54,014	13,503	67,517	86,896
Governance costs:				
Audit fees	12,040	3,010	15,050	13,000
Legal Fees	-	-	-	6,410
Total 2018	1,152,030	288,006	1,440,036	1,513,169
Total 2017	1,394,692	118,477	1,513,169	

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

9. Taxation

	2018 £	2017 £
Domestic current year tax		
U.K. corporation tax	(195,693)	(184,205)
	<u>(195,693)</u>	<u>(184,205)</u>

Income from U.K. corporation tax relates to a credit for Theatres Tax Relief.

10. Staff costs and directors' remuneration

	2018 £	2017 £
Salaries and wages	1,980,889	1,886,551
Employers NIC	169,828	158,910
Pension costs	28,567	27,634
	<u>2,179,284</u>	<u>2,073,095</u>

These costs are included
as follows:

Cost of generating funds	433,564	223,585
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Lyric Theatre Hammersmith Limited
Notes to the Financial Statements
For the year ended 31 March 2018

Theatre production costs	1,119,018	1,236,797
Young People's Programme	379,907	389,128
Support costs	246,794	223,585
	<u>2,179,283</u>	<u>2,073,095</u>

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

	No.	No.
Full time	46	50
Part time and casual	45	41
	<u>91</u>	<u>91</u>

The number of full time equivalent employees was 69 (65 2017)

Full time equivalent employees fell into the following categories:

	No.	No.
Theatre Production	37	38
Young People's Programme	10	12
Activities for Generating funds	16	9
Support activities	6	6
	<u>69</u>	<u>65</u>

Two employees earned within the range of £70,001 to £80,000 (2017: two).

Key management personnel comprise eight executive and director level SMT posts.

The total employment benefits including employer pension contributions of the key management personnel were £445,187 (2016: £430,942)

11. Tangible fixed assets

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

	Leasehold Improvements £	Equipment and Furniture £	Total £
Cost			
At 1 April 2017	11,098,201	2,136,155	13,234,356
Additions	26,512	-	26,512
At 31 March 2018	<u>11,124,713</u>	<u>2,136,155</u>	<u>13,260,868</u>

Depreciation

Lyric Theatre Hammersmith Limited
Notes to the Financial Statements
For the year ended 31 March 2018

At 1 April 2017	2,727,926	1,807,263	4,535,189
Charge for the year	<u>376,680</u>	<u>75,889</u>	<u>452,569</u>
At 31 March 2018	<u>3,104,606</u>	<u>1,883,153</u>	<u>4,987,759</u>
Net Book Value			
At 31 March 2018	<u>8,020,107</u>	<u>253,002</u>	<u>8,273,109</u>
At 31 March 2017	<u>8,370,275</u>	<u>328,892</u>	<u>8,699,167</u>

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

12. Investments

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Investment in subsidiary undertakings	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>

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

	No. of Shares	% of Issued Share Capital	Cost of Shares £
Lyric Hammersmith Enterprises Limited (note 5)	2	100%	2
Lyric Hammersmith Worldwide Limited (note 5)	1	100%	1

13. Debtors

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	274,763	105,218	159,269	60,483
Subsidiary undertakings	-	-	447,880	410,728
Other debtors	202,975	201,476	6,783	17,271
Prepayments	42,452	36,396	38,620	36,396
Accrued income	<u>22,167</u>	<u>8,143</u>	<u>22,167</u>	<u>8,143</u>
	<u>542,357</u>	<u>351,233</u>	<u>674,719</u>	<u>533,021</u>

Lyric Theatre Hammersmith Limited
Notes to the Financial Statements
For the year ended 31 March 2018

14. Creditors: amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	421,121	370,986	382,604	355,044
Subsidiary undertakings			12,999	62,760
Taxation and social security	65,820	47,980	18,297	22,768
Other creditors	29,066	37,020	19,529	28,385
Accruals	642,194	644,473	631,220	634,696
Deferred income	262,338	237,827	256,981	224,378
	<u>1,420,539</u>	<u>1,338,286</u>	<u>1,321,630</u>	<u>1,328,031</u>

15. Restricted Funds

		31 March 2017 £	Incoming Resources £	Resources Expended £	31 March 2018 £
Capital grants – extension 2004	(1)	1,374,550	-	(91,622)	1,282,928
Young People's fund	(2)	15,000	322,657	(307,657)	30,000
Capital Project 2015	(3)	6,694,416		(255,009)	6,439,407
Capital Project 2018	(4)	-	36,500	(12,252)	24,248
		<u>8,083,966</u>	<u>359,157</u>	<u>(666,540)</u>	<u>7,776,583</u>

(1) The Capital grants - extension fund relates to the extension built in 2004, and is represented by fixed assets arising from this work. The movement on this fund represents depreciation charges.

(2) The Young People's fund represents amounts received and spent during the year which are restricted for young people's activity, and related expenditure. The balance carried forward represents funding from the John Lyons Foundation which we expect to spend during the coming year.

(3) The Capital Project 2015 fund represents amounts received for the building of the new wing, opened in 2015 and is represented by fixed assets arising from this work and funds allocated to supporting our work with young people. The project is now complete and the movement on the funds represents depreciation charges.

(4) Capital Project 2018 fund represents amounts received for the refurbishment of the Lyric's Matcham auditorium and Studio Theatre. Funds will be expended during 2018.

Lyric Theatre Hammersmith Limited
Notes to the Financial Statements
For the year ended 31 March 2018

16. Unrestricted Funds

		At 31 March 2017 £	Net Incoming / (outgoing) Resources £	Transfers £	At 31 March 2018 £
Designated funds					
General building reserve	(1)	313,449	-	120,000	433,449
Fixed asset fund	(2)	14,060	-	(7,621)	6,439
Roof garden reserve	(3)	76,999	(19,250)	-	57,749
New Building 2015 Programme	(4)	745,832	(81,059)	-	664,773
Development Fund	(5)	315,881	-	30,000	345,881
Organisation Development Fund	(6)	50,000	-	20,000	70,000
Green Fund	(7)	-	-	25,000	25,000
Next Generation Fund	(8)	100,297	-	-	100,297
Total designated funds		1,616,518	(100,309)	187,379	1,703,588
Other unrestricted funds					
General funds	(9)	489,931	195,928	(187,379)	498,480
Unrestricted funds		2,106,449	95,619	-	2,202,068

- (1) The general building reserve represents funds designated for future expenditure on the building, fixtures and fittings and equipment. We have made a transfer from General Funds of £120,000 for future investment in the theatre, including the refurbishment of the main auditorium and Studio taking place in 2018.
- (2) The fixed asset fund has been set up to assist in identifying those funds which are not free funds. It represents the net book value of tangible fixed assets which do not form part of the capital funds and the transfer for the year is the value of any additions less depreciation for the year on these assets.
- (3) The roof garden reserve represents the net book value of gifted assets from Hammersmith London in 2009, which was transferred from restricted funds when received.
- (4) The New Building 2015 represents the net book value of fixed assets funded from the Lyric Building Reserve for the new building.
- (5) The Programme Development Fund represents an amount that the Trustees have designated to support the future development of the artistic programme. The Trustees expect that this fund will be used over the next three to five years.
- (6) The Organisational Development Fund represents an amount that the Trustees have designated to invest in planned organisational development work to support the future growth of the Lyric over the next one to three years.
- (7) The Green Fund represents an amount that the Trustees have designated, from savings on utilities, for future investment in projects that support the Lyric's environmental sustainability.
- (8) The Next Generation Fund represents an individual donation, which has been designated by the Trustees to support our work with young people over the next four years.

Lyric Theatre Hammersmith Limited
Notes to the Financial Statements
For the year ended 31 March 2018

(9) The general funds transfers represent net release of depreciation from the fixed assets fund and transfers into the designated funds detailed above.

17. Analysis of group net assets between funds

	Unrestricted Funds		Restricted Funds	Total 2018
	Designated £	General £	£	£
Fixed assets and investments	725,961	-	7,547,148	8,273,109
Current assets	977,627	1,919,084	229,435	3,126,146
Creditors	-	(1,420,604)	-	(1,420,604)
	<u>1,703,588</u>	<u>498,480</u>	<u>7,776,583</u>	<u>9,978,651</u>

18. Capital Commitments

At the 31st March 2018 the charity had a capital commitment to the London Borough of Hammersmith and Fulham under a Development and Funding Agreement dated 05 November 2012, to distribute funds for the Capital Project 2015 development (2017: same).

19. Contingent lease obligations – Charity and Group

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

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Land and buildings				
One year	40,000	50,000	40,000	50,000
Two to five years	160,000	200,000	160,000	200,000
More than five years	4,800,000	6,000,000	4,800,000	6,000,000
	<u>5,000,000</u>	<u>6,250,000</u>	<u>5,000,000</u>	<u>6,250,000</u>

20. Related Party Transactions

No trustees nor any persons connected with them have received remuneration or expenses (2017: nil).

During 2017-18 trustees made donations to the Lyric Hammersmith totalling £870 (2016-17 £800).

Lyric Theatre Hammersmith Limited
Notes to the Financial Statements
For the year ended 31 March 2018

At 31st March 2018 the following amounts were owed to Lyric Hammersmith by its subsidiary companies:

- Lyric Hammersmith Enterprises Limited £252,187, made up of donation and management fees.
- Lyric Hammersmith Worldwide Limited £195,694 comprising payment for production services.

Lyric Theatre Hammersmith Limited
Comparative Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31 March 2017

	Note	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2017
		£	£	£	£
Income					
Donations	3	193,459	100,297	-	293,756
Trading income	4	556,094	-	-	556,094
Interest received		7,085	-	-	7,085
Charitable activities					
Theatre and Young People's Programmes	2	2,921,737	-	-	2,921,737
Grants and donations	3	1,379,745	-	374,684	1,754,429
Total income		<u>5,058,120</u>	<u>100,297</u>	<u>374,684</u>	<u>5,533,101</u>
Expenditure					
Raising funds	6	459,748	-	-	459,748
Charitable activities	7	4,576,296	100,758	712,238	5,389,292
Total expenditure		<u>5,036,044</u>	<u>100,758</u>	<u>712,238</u>	<u>5,849,040</u>
Net income/(expenditure) before taxation		22,076	(461)	(337,554)	(315,939)
Taxation	9	184,205	-	-	184,205
Transfer between funds	17	(181,154)	181,154	-	-
Net movement in funds		25,127	180,693	(337,554)	(131,734)
Fund balances brought forward		<u>464,804</u>	<u>1,435,825</u>	<u>8,421,520</u>	<u>10,322,149</u>
Fund balances carried forward		<u>489,931</u>	<u>1,616,518</u>	<u>8,083,966</u>	<u>10,190,415</u>

Lyric Theatre Hammersmith Limited
Charity Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31 March 2018

For trustees' information only

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Income				
Donations	149,757	500	150,257	293,756
Trading and Fundraising income	226,567	-	226,567	112,066
Interest received	4,046	-	4,046	6,831
Gift aid donation from Lyric Hammersmith Enterprises Ltd	41,704	-	41,704	54,791
Management fees from Lyric Hammersmith Enterprises Ltd	208,635	-	208,635	112,823
Income from charitable activities				
Operation of the theatre	2,724,624	-	2,724,624	3,105,942
Grants and donations	1,373,514	358,657	1,732,171	1,754,429
	<u>4,728,847</u>	<u>359,157</u>	<u>5,088,004</u>	<u>5,440,638</u>
Expenditure				
Raising Funds	89,812	-	89,812	53,231
Charitable activities	4,543,416	666,540	5,209,956	5,521,157
	<u>4,633,228</u>	<u>666,540</u>	<u>5,299,768</u>	<u>5,574,388</u>
Total expenditure				
Net income for the year	95,619	(307,383)	(211,764)	(133,750)
Transfer between funds	-	-	-	-
Fund balances brought forward	<u>2,106,449</u>	<u>8,083,966</u>	<u>10,190,415</u>	<u>9,839,761</u>
Fund balances carried forward	<u>2,202,068</u>	<u>7,776,583</u>	<u>9,978,651</u>	<u>10,190,415</u>