

Company number: 08117915

Charity Number: 1149979

The Audience Agency

Group report and financial statements
For the year ended 31st March 2018

THURSDAY



A04 *A7L6M2QW*
20/12/2018
COMPANIES HOUSE

#166

The Audience Agency
Reference and administrative information
for the year ended 31st March 2018

Company number 08117915

Charity number 1149979

Registered office and operational address Green Fish Resource Centre
46-50 Oldham Street
Manchester
M4 1LE

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

M Locke Chair (appointed 12 June 2018)

S Parker Vice Chair

G Collinge

T Hornsby

A Rivett

K Smith (Resigned 16th June 2017)

H Walker (Resigned 20th October 2017)

J Weston (Resigned 16th June 2017)

R Tomlinson

R Sidhu (appointed 20th July 2017)

B Walmsley (appointed 7 December 2017)

S Healy (Resigned 8 January 2018)

A Nixon (Resigned 16 June 2017)

No trustees held title to property belonging to the charity during the reporting period or at the date of approval.

Key management	Anne Torreggiani	Chief Executive
personnel	Cimeon Ellerton	Chief Operating Officer
	Richard Turpin	Chief Research Officer

Bankers CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling

The Audience Agency
Trustees' annual report
for the year ended 31st March 2018

Kent

ME19 4JQ

Solicitors

Primas Law

The Whitehouse

Wilderspool Business Park

Greenalls Avenue

Stockton Heath

WA4 6HL

Auditors

Slade & Cooper Limited

Greenfish Resource Centre

46-50 Oldham St

Manchester

M4 1LE

The Audience Agency
Trustees' annual report
for the year ended 31st March 2018

The trustees present their report and the audited financial statements for the year ended 31st March 2018. Included within the trustees' report is the directors' report as required by company law.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The Company has been established to:

- promote the effective use of the resources by charitable and non-charitable bodies for the charitable purpose of the promotion of the arts for public benefit by:
 - the provision of advice, training and information to foster and promote the maintenance, improvement and development of awareness, knowledge, understanding and appreciation of the arts; and/or
 - the provision of support services to improve and advance education by the encouragement of the arts and assist in promoting and advancing the practice, presentation, production and study of all forms of the arts; and/or
 - the provision of other assistance which is designed to increase the quality and level of public access to the arts and to develop expertise and good practice in relation to this; and/or
 - to further such other charitable purposes consistent with the above as the Trustees in their absolute discretion shall determine (together the "Objects").

Ensuring our work delivers our aims

The Audience Agency has undertaken a detailed review of its services and business to ensure that it continues to maximise our public benefit by delivering a range of appropriate support services to arts organisations.

We review this work as a Board throughout the year, using the Charity Commission's general guidance on public benefit as a benchmark for the relevance and impact of our work. We invest extensively in capturing user feedback, and acting upon it.

How our activities deliver public benefit

We enable organisations in the cultural sector to engage larger and more diverse audiences, with the ultimate objective to widen public access and increase the nation's participation in the arts and other cultural activities.

We believe that excellent audience insight, clear-sighted strategy and co-operation between cultural organisations are essential to successful audience development at the organisational and collective levels. This is enshrined in our business plan in the following way: *we enable cultural organisations to*

The Audience Agency
Trustees' annual report
for the year ended 31st March 2018

use our national data to increase their relevance, reach and resilience. This furthers our mission, our charitable purpose and serves the needs and interests of our clients and stakeholders. Cultural organisations are more astute, knowledgeable and creatively inspired than ever before by the challenges of becoming more relevant and extending their reach, whilst being entrepreneurial and resilient. There is also a real enthusiasm for the role data can play in achieving these goals. Our mission is to *transform the relationship between the arts and audiences, for the health of the arts sector, and the public good.*

Over 90% of our clients and stakeholders are charities, whose charitable objects and organisational resilience we actively support. Our research, advice and training tackles a wider variety of barriers – such as age, ethnic origin and financial affordability.

The charity is highly focused on delivering these benefits, and according to stakeholder feedback performed well in delivering them. Despite the challenges of cuts in public arts funding, and a challenging year financially, it is a testament to the resilience and relevance of the organisation that it enters the new financial year with an improved funding base and more clients than ever.

The trustees review the aims, objectives and activities of the charity each year, to ensure it remains focused on its core purpose and on track in terms of delivering an effective strategy to that end. This documents the charity's achievements and the outcomes of its work in the reporting period.

Achievements and performance

Significant Activities

We continued to deliver Audience Finder, the Arts Council commission. The Audience Agency's key delivered objectives during the year were to:

- Provide ongoing access to the data set - The level of participation has continued to grow steadily throughout the year. By the end of December 2017 there were 611 active organisations, an increase of 9%.
- Grow the knowledge base - The number of UK households identified through Audience Finder as having engaged with ticketed arts and cultural events and activities rose by 14%, from 10.9 million to 12.4 million in the course of the year. The Audience Finder database now holds details of 79 million ticketing transactions (an increase in the volume of the dataset on more than 15% over the year) relating to 225 million attendances to more than 1.3 million performances or events spanning back as far as 2009.

During this period the organisation also took a strategic decision that the activity of its trading subsidiary needed to more clearly align with the aims and objectives of the charity, in using data driven decision making to strengthen the cultural sector, than it currently did through its existing business of distributing marketing materials. It also wanted the trading subsidiary to develop a business model that would produce greater financial contributions to support the charity. To this end, the organisation entered in to an asset sale of its distribution business, which will produce a fixed fee of £100k in total over five years, coupled with a profit share arrangement on its operation in the same five-year period. The organisation also entered in to negotiations for an asset purchase of an Innovation Consultancy that would provide this clearer link to the activity of the charity, with greater potential long-term financial rewards. This purchase was completed in August 2018.

The Audience Agency
Trustees' annual report
for the year ended 31st March 2018

Beneficiaries of our services

The majority of our work directly supports cultural organisations to engage more effectively with the general public. We provided a resource or service to over 800 cultural organisations in the period. We remain committed to being accessible to the widest variety of arts and cultural organisations, and developed our business model to enable us to subsidise affordable services to smaller charities and those with limited resources, while still making an impact on the largest cultural institutions in England with the biggest audience reach. We worked with theatres, concert halls, arts centres, performing arts companies, galleries, orchestras, outdoor festivals and site specific producers, participatory arts, museums, heritage organisations, local authorities and other second tier sector support organisations. We made a particular point to support the work of others seeking to increase access and widen participation – such as disabled-led organisations, those promoting diversity, and grass-roots community initiatives.

Financial review

Given the continued financial challenges for cultural organisations like ourselves and a large proportion of our clients and beneficiaries, the overall performance in this financial year was satisfactory.

The organisation continues to deliver Audience Finder, the commission for Arts Council England, and the financial performance this year reflects the use of restricted funds which we held at the start of the year for this purpose. Our restricted funds at year end also reflect the challenges of maintaining a continuing service, with funding that is segmented into financial years. Infrastructure investments in year were limited (£13,950 as opposed to £114,103 in 2016/17) to recognise a significantly reduced level of public funding in this year and capitalised to recognise their use beyond this particular financial year. At the end of the financial period we carried forward a deficit in restricted funds (£79,772) and reduced unrestricted funds (£331,162 compared to £458,268 in 2016/17), due to the challenges associated with managing the delivery on Audience Finder with reduced funding (£400,000 in £2017/18 compared to £698,000* in 2016/17. * note - the 2016/17 amount included residual funding from the original grant allocation).

Moving forward there is continued pressure on funds and commissions from Arts Council England, and others, so the challenge for The Audience Agency will continue to be to earn income on consulting services and premium products to support general funds. This challenge is equally pronounced for the trading subsidiary. The successful Arts Council England Sector Support Organisation (SSO) application, which will come in to play from April 2018, gives the organisation a solid platform on which to base its future plans.

Reserves policy

The Board's policy on reserves is to target a reserve level which is equal to three months' projected fixed costs (fixed costs being rent, rates and other running, but not activity costs). This target level of reserves should be free reserves, or money readily realisable, so should not include fixed assets. For clarity, on each balance sheet report, this will be calculated as Total Assets, Less Current Liabilities, minus fixed assets.

The Board recognises that this is a challenging target, and whilst other funds could be repurposed to support existing free reserves, to enable the organisation to meet this target level, the focus of the organisation should continue to be to reach and maintain this level of free reserves without the need to repurpose other funds. Where the target level of reserves has been reached, the Board would seek to reinvest those surplus funds in the following financial year, to support the development of our offer to

The Audience Agency
Trustees' annual report
for the year ended 31st March 2018

the sector. The Board aim to meet these reserve levels through judicious management of resources, appropriate scrutiny of plans and support for the Executive and wider staff team.

This Period

At the period end total unrestricted reserves was £331,162, which was made up of £90,838 of fixed assets and £240,324 of free reserves, this figure does include £60,000 of debtors due in more than one year – so not readily realisable. Our most recent calculation is that three months' running costs would be approximately £360k. Therefore, at this stage this leaves the organisation below its target level, due in part to significant investment in fixed assets which are needed to enable the organisation to meet its aims and objectives, and to support income generation going forward. The focus of the Board and Executive team is to return reserve levels to target levels through the creation of an operating surplus which would allow this. The Board recognises that this may take a period of time to achieve, but that the successful SSO funding from April 2018 should support this, so it should aim to have this target level of reserves by the end of the SSO funding period. In advance of that it will seek to improve its reserves position through careful support of the Executive team's robust management of all operational budgets.

The Restricted Reserves shows a deficit at year end, this deficit relates to investment in fixed assets for the Audience Finder commission. This deficit will be recovered by the funding received from Arts Council England, for this ongoing piece of work, during 2017-18 and through the subsequent SSO funding.

Plans for the future

Our successful application to be an Arts Council England Sector Support Organisation from 2018 to 2022 represents a significant vote of confidence in the Audience Finder programme and The Audience Agency more broadly. With increased funding to invest in the platform and programme, our new strategy and business plan for 2018-22 will help us grow revenue, margin and impact by:

1. investing in our data platform, support and technical capabilities as key and unique assets of the organisation;
2. developing our product offer through user-centred design to increase value and engagement for users of all abilities;
3. refining the bespoke offer and fit to support growth in high value and high impact consulting that delivers our purpose and mission;
4. sophisticated and frequent marketing and communications with stakeholders that will cement our unique brand and positioning;
5. developing the trading subsidiary to open new areas of financing, new work in adjacent markets and new income streams through the development of a commercial offer
6. supporting staff through more frequent training, learning and social opportunities to build on the commitment and social purpose of our staff.

Structure, governance and management

Governing document

The Charity is controlled by its governing document, Memorandum and Articles of Association and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The Audience Agency
Trustees' annual report
for the year ended 31st March 2018

The Audience Agency was incorporated as a company limited by guarantee on 25 June 2012. The company received charitable status with the Charity Commission on 29 November 2012. Its Memorandum and Articles of Association govern its affairs and in the event of the company being wound up the maximum amount that each member is liable to contribute is £1.

Company status

The company is limited by guarantee and all members have agreed to contribute a sum not exceeding £1 in the event of a winding-up. The number of guarantees at 31st March 2018 was 9.

Recruitment and appointment of trustees

We operate an equal opportunities policy for staff and directors recruitment. We have an open recruitment process whereby we advertise widely across volunteering agency websites, and other specialist recruitment websites.

Induction and training of trustees

All trustees are inducted through information packs detailing our work and their legal obligations, duties and liabilities to the company and as a consequence of being charity directors. A formal induction meeting takes place for each new trustee. Board procedures provide that all trustees are welcome to attend training and events as appropriate. Members of staff are shadowed with appropriate directors where beneficial to allow for information exchange, this also allows the trustee to understand our work in greater detail. There is a budget that supports director training should they wish to obtain specific training to enhance their ability to govern the charity.

Organisational structures

The structure of the organisation is reviewed annually by the Board, more frequently when required. The current organisation structure has proved appropriate for the organisation at the current stage in its development. The organisation is currently working with an external consultant to review structure and working practices, and this may inform further changes to the company structure. The Board, in conjunction with the Executive, continues to review its governance role, and how it can most effectively support the development of the organisation. The Finance Sub-committee continues to play an active role in financial governance, which in turn allows the full Board to operate in a more strategic way.

Related parties and relationships with other organisations

The organisation maintain a register of interest for members of Board and Senior Management Team. Any potential conflict of interest is checked ahead of any Board, or Senior Management meeting. Related party transactions are detailed in the notes. Whilst a full register is kept, only items which are deemed material are reported. For example two trustees are on Arts Council England Boards, and one is an employee of one of our major suppliers, but none of these trustees are in a position of influence in respect of the contracts we have with these organisations, and any discussions at Board level where a potential conflict of interest could arise are handled appropriately. The Audience Agency Services Limited is a wholly owned trading subsidiary of The Audience Agency.

The Audience Agency
Trustees' annual report
for the year ended 31st March 2018

Remuneration policy for key management personnel

The Board, directly and through its Finance Sub-committee, review all pay for staff of the organisations, and directly sets salaries for the key personnel. Benchmarking against similar organisations is considered as part of this process to ensure that levels set are appropriate.

Risk management

The organisation maintains a risk register which is monitored by both the Finance Sub-committee and the full board. The risk register is reviewed quarterly by the Finance Sub-committee and bi-annually by the full Board. This risk register provides the management team with a structure with which to manage the identified risks, and the Board with a tool to monitor the management of these risks.

Funds held as custodian trustee on behalf of others

The Audience Agency does not hold funds as a custodian trustee on behalf of others.

The Audience Agency
Trustees' annual report
for the year ended 31st March 2018

Statement of responsibilities of the trustees

The trustees (who are also directors of The Audience Agency for the purposes of company law) are responsible for preparing the trustees' annual 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 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- 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 auditors are 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.

The Audience Agency
Trustees' annual report
for the year ended 31st March 2018

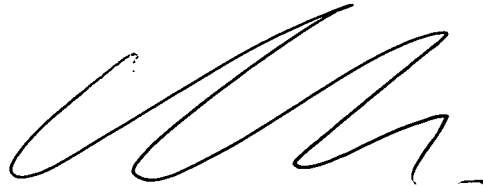
Auditors

Slade & Cooper Ltd were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

The trustees' annual report has been approved by the trustees on 18/12/2018 and signed on their behalf by

Matt Locke
Chair

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, representing the signature of Matt Locke.

Independent auditors' report
to the members of
The Audience Agency

Opinion

We have audited the financial statements of The Audience Agency (the 'parent charitable company') and its subsidiary for the year ended 31 March 2018, which comprise the Consolidated Statement of Financial Activities (including the income and expenditure account), the Balance Sheets of the group and the parent charitable company, the Consolidated Statement of Cash Flows and the related notes. 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 charitable company's affairs 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 and the Charities Act 2011.

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 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 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 trustees' 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.

(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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, 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.

(continued)

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 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

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.

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 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Catherine Hall FCCA DChA

Senior Statutory Auditor

for and on behalf of

Slade & Cooper Limited
Statutory Auditors
Green Fish Resource Centre
46-50 Oldham Street
Manchester
M4 1LE

Date: 19th December 2018

Slade & Cooper Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Audience Agency
Consolidated Statement of Financial Activities
(including Income and Expenditure account)
for the year ended 31 March 2018

	Note	Unrestricted funds £	Restricted funds £	Total funds 2018 £	Total funds 2017 £
Income from:					
Charitable activities:	3				
Advice & Assistance		1,504,463	460,853	1,965,316	1,970,288
Other trading activities	4	257,985	-	257,985	301,043
Other income	5	100,000	-	100,000	-
Total income		1,862,448	460,853	2,323,301	2,271,331
Expenditure on:					
Raising funds	6	259,300	-	259,300	293,799
Charitable activities:	7				
Advice & Assistance		1,744,204	431,383	2,175,587	2,172,157
Total expenditure		2,003,504	431,383	2,434,887	2,465,956
Net income/(expenditure) for the year	9	(141,056)	29,470	(111,586)	(194,625)
Transfer between funds		13,950	(13,950)	-	-
Net movement in funds for the year		(127,106)	15,520	(111,586)	(194,625)
Reconciliation of funds					
Total funds brought forward		458,268	(95,292)	362,976	557,601
Total funds carried forward		331,162	(79,772)	251,390	362,976

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The Audience Agency
Company number 8117915


Balance Sheets
as at 31 March 2018

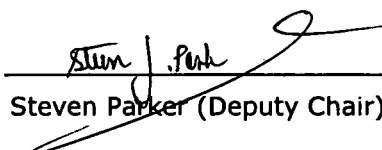
	Note	The group		The Charity	
		2018 £	2017 £	2018 £	2017 £
Fixed assets					
Tangible assets	14	90,838	128,152	90,838	128,152
Investments	15	-	-	1	1
Total fixed assets		90,838	128,152	90,839	128,153
Current assets					
Debtors	18	543,083	322,514	550,928	307,751
Cash at bank and in hand		137,196	217,849	119,720	202,862
Total current assets		680,279	540,363	670,648	510,613
Liabilities					
Creditors: amounts falling due in less than one year	19	(519,727)	(305,539)	(510,096)	(275,789)
Net current assets		160,552	234,824	160,552	234,824
Total assets less current liabilities		251,390	362,976	251,391	362,977
Funds of the charity:					
Restricted income funds	21	(79,772)	(95,292)	(79,772)	(95,292)
Unrestricted income funds	22	331,162	458,268	331,163	458,269
Total charity funds		251,390	362,976	251,391	362,977

These accounts are prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 17 to 31 form part of these accounts.

Approved by the trustees on 18/12/2018 and signed on their behalf by:


Matt Locke (Chair)


Steven Parker (Deputy Chair)

The Audience Agency
Consolidated Statement of Cash Flows
for the year ending 31 March 2018

	Note	2018 £	2017 £
Cash provided by/(used in) operating activities	25	(46,107)	(35,985)
<i>Cash flows from investing activities:</i>			
Purchase of tangible fixed assets		(34,546)	(114,103)
Cash provided by/(used in) investing activities		(34,546)	(114,103)
Increase/(decrease) in cash and cash equivalents in the year		(80,653)	(150,088)
Cash and cash equivalents at the beginning of the year		217,849	367,937
Total cash equivalents at the end of the year		137,196	217,849

The Audience Agency

Notes to the accounts for the year ended 31 March 2018

1 Accounting policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a Basis of preparation

The financial statements have been prepared in accordance with 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Audience Agency meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b Group financial statements

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary The Audience Agency Services Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure account are not presented for the charity itself following exemptions afforded by section 408 of the Companies Act 2006.

c Reclassification of income and expenditure

Income and expenditure have been reclassified for both the current and comparative figures so that the statutory accounts are more in line with the charity's management accounts. A prior year adjustment has not been made as the balance sheet and total income/expenditure did not change in the comparative figures.

d Preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

There are no key judgments which the trustees have made which have a significant effect on the accounts.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

e Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of a provision of a specified service is deferred until the criteria for income recognition are met.

The Audience Agency

Notes to the accounts for the year ended 31 March 2018 (continued)

f Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer is not recognised; refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

h Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the

i Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading including The Audience Agency Services Ltd and their associated support costs.
- Expenditure on charitable activities includes the costs of advice and assistance undertaken to further the purposes of the charity and their associated support
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 9.

k Operating leases

Operating leases are leases in which the title to the assets, and the risks and rewards of ownership, remain with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

The Audience Agency

Notes to the accounts for the year ended 31 March 2018 (continued)

l Tangible fixed assets

Individual fixed assets (excluding investments) costing £1000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Office equipment	20%
Office fixtures and equipment	33%

l Fixed asset investments

The Charity's sole investment is in the trading subsidiary and is recognised at cost. There is no quoted price market price.

The Charity does not acquire put options, derivatives or other complex financial instruments.

The financial risk faced by the charity surrounding this investment is limited to the initial cost of the share which is £1.

m Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

o Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

q Pensions

Employees of the charity are entitled to join a defined contribution scheme. The charity's contribution is restricted to the contributions disclosed in note 11. There were no outstanding contributions at the year end. The costs of the defined contribution scheme are included within support and governance costs and allocated to the funds of the charity using the methodology set out in note 9.

2 Legal status of the charity

The charity is a company limited by guarantee registered in England and Wales and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The registered office address is disclosed on page 1.

The Audience Agency

Notes to the accounts for the year ended 31 March 2018 (continued)

3 Income from charitable activities

	Unrestricted £	Restricted £	Total 2018 £	Total 2017 £
Advice & assistance				
Major stakeholders and funders				
ADESTE	-	-	-	(8,070)
AMA/Culturehive Strand 3	-	-	-	6,879
Arts Council England - On Boarding	-	33,000	33,000	-
Arts Council England Services	8,470	-	8,470	-
Audience Finder Grant	-	400,000	400,000	698,000
Audiences UK	7,672	-	7,672	11,158
COLA	67,054	-	67,054	10,000
Connect	-	17,694	17,694	17,836
Data sharing Guidance	-	10,159	10,159	20,000
UK Partners	-	-	-	5,264
Subtotal for major stakeholders and funders	83,196	460,853	544,049	761,067
Bespoke Services				
Commissioned workshops	29,189	-	29,189	37,660
Consultancy	277,580	-	277,580	257,533
Data analysis	42,095	-	42,095	-
Digital	55,608	-	55,608	34,537
Events & workshops	-	-	-	225
Learning & participation	99,377	-	99,377	88,478
Research	568,444	-	568,444	535,324
Research consultant led	50,248	-	50,248	-
Subtotal for bespoke services	1,122,541	-	1,122,541	953,757
Package/programme income				
Audience spectrum licensing	33,900	-	33,900	-
Bespoke dashboards	12,650	-	12,650	-
Enhanced dashboards	98,652	-	98,652	-
Finder package/earned income	-	-	-	184,541
Other customisations	30,774	-	30,774	-
Package profiling/APR's	98,865	-	98,865	70,923
Showstats	23,885	-	23,885	-
Subtotal for package/programme	298,726	-	298,726	255,464
Total	1,504,463	460,853	1,965,316	1,970,288
Total by fund 31 March 2017	1,252,288	718,000	1,970,288	

The Audience Agency

Notes to the accounts for the year ended 31 March 2018 (continued)

4 Income from other trading activities

	2018 £	2017 £
The Audience Agency Services Ltd	257,985	301,043
	<u>257,985</u>	<u>301,043</u>

All income from other trading activities is unrestricted.

5 Other income

	Unrestricted £	Restricted £	Total 2018 £	Total 2017 £
Audience Agency Services Ltd Profit on sale of intangible fixed asset (Audience Connect)	100,000	-	100,000	-
	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>

6 Cost of raising funds

	2018 £	2017 £
Trading subsidiary direct costs	234,302	253,133
Allocation of support costs	23,463	39,257
Allocation of governance costs	1,535	1,409
	<u>259,300</u>	<u>293,799</u>

All expenditure on cost of raising funds is unrestricted.

The Audience Agency

Notes to the accounts for the year ended 31 March 2018 (continued)

7 Analysis of expenditure on charitable activities

	Advice & assistance £	Total 2018 £	Total 2017 £
Staff costs	1,092,778	1,092,778	1,129,284
Admin & office	99,256	99,256	107,269
Programme costs	260,143	260,143	325,132
Bespoke overheads	250,531	250,531	170,779
Depreciation	56,896	56,896	35,985
Governance costs (see note 8)	13,810	13,810	12,676
Support costs (see note 8)	402,173	402,173	391,032
	<u>2,175,587</u>	<u>2,175,587</u>	<u>2,172,157</u>
By activity in 2017	<u>2,172,157</u>	<u>2,172,157</u>	
	2018 £	2017 £	
Restricted expenditure	431,383	843,565	
Unrestricted expenditure	1,744,204	1,328,592	
	<u>2,175,587</u>	<u>2,172,157</u>	

8 Analysis of governance and support costs

	Basis of apportionment	Support £	Governance £	Total 2018 £
Staff costs	staff numbers	258,070	-	258,070
Organisation & admin costs	staff numbers	152,602	6,675	159,277
Depreciation	staff numbers	14,964	-	14,964
Audit fees	Governance	-	8,670	8,670
		<u>425,636</u>	<u>15,345</u>	<u>440,981</u>

The Audience Agency

Notes to the accounts for the year ended 31 March 2018 (continued)

9 Net income/(expenditure) for the year

This is stated after charging/(crediting):	2018 £	2017 £
Depreciation	71,860	45,953
Operating lease rentals:		
Property	6,714	38,957
Other	1,441	4,032
Auditor's remuneration - audit fees	5,000	5,000
Auditor's remuneration - accountancy fees	3,050	3,050

10 Staff costs

Staff costs during the year were as follows:

	2018 £	2017 £
Wages and salaries	1,260,775	1,345,161
Social security costs	118,370	125,405
Pension costs	7,445	-
	<u>1,386,590</u>	<u>1,470,566</u>

No employees has employee benefits in excess of £60,000 (2017: Nil).

The average number of staff employed by the group during the period was 41 (2017: 43).

The average full time equivalent number of staff employed by the group during the period was 39 (2017: 35).

The average number of staff employed by the charity during the period was 38 (2017: 38).

The average full time equivalent number of staff employed by the charity during the period was 37 (2017: 31).

The key management personnel of the charity comprise the trustees and the Executive Team. The roles within the Executive Team are CEO, P&P Director, F & Admin Director, Marketing Director, Research Director and Deputy CEO.

The total employee benefits of the key management personnel of the charity were £252,165 (2017: £238,382).

The Audience Agency

Notes to the accounts for the year ended 31 March 2018 (continued)

11 Trustee remuneration and expenses, and related party transactions

Neither the management committee nor any persons connected with them received any remuneration during the year (2017: Nil).

4 (2017:4) members of the management committee received travel and subsistence expenses during the year of £393 (2017:£1,478).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity, including guarantees, during the year (2017: nil).

The following persons made loans to the charity during the year (2017:NIL) at an interest rate of 0.5% per annum. Loans were repaid in the following financial year and amounts owed by the charity and interest payable at the year end are as follows:

	Loan to charity	Interest due
Steven Parker (trustee)	£ 10,000	£ 7
Roger Tomlinson (trustee)	£ 30,000	£ 19
Anne Torreggiani (Chief executive)	£ 30,000	£ 21

Trustees are appointed to the board primarily for the skills, experience and knowledge that they bring to the organisation. Such individuals are likely to hold other directorships or work within the sector for organisations that may have links with The Audience Agency or its subsidiary The Audience Agency Services Ltd.

The following directors hold an executive post within organisations undertaking business transactions with the The Audience Agency and/or its subsidiary. All sales/(purchases) are at arms length.

Name	Organisation	2018 £	2017 £
Andrea Nixon	Tate Liverpool	533	1515 (62)
Geraldine Collinge	Royal Shakespeare Company	-	4,680
Steven Parker	Experian	(85,900)	(143,769)

The following are directors of The Audience Agency and/or its subsidiary who also sit on the board of organisations with whom business transactions have been undertaken. The directors are non executives in each organisation and have no involvement in these transactions.

Name	Organisation	2018 £	2017 £
Peter Fell	Contact Theatre	10,347	22,359
	Foco61 Group	-	1,490
Andrea Nixon	Crafts Council	-	5,220
	Arts Council England	441,470	706,330
Ben Walmsley	University of Leeds	1,823	-
Alan Rivett	Warwick Arts Centre	1,050	-
	BACH	2,500	1,000
Sheila Healy	Arts Council England	441,470	706,330
	Kneehigh Theatre Company	-	100
	People Make It Work	-	(3,200)
David Agnew	Horse & Bamboo	387	-

The Audience Agency

Notes to the accounts for the year ended 31 March 2018 (continued)

12 Government grants

The government grants recognised in the accounts were as follows:

	2018 £	2017 £
Arts Council England - Audience Finder	400,000	698,000
Arts Council England Services	8,470	-
Arts Council England - On Boarding	33,000	-
	<hr/> 441,470	<hr/> 698,000
	<hr/> <hr/>	<hr/> <hr/>

The amounts detailed mostly relate to large ongoing pieces of work being delivered for Arts Council England. The Audience Agency reports regularly to Arts Council England to confirm the status of this work. The amount of work to be delivered in 2017/18 from these grants is detailed in restricted funds analysis note 22.

13 Corporation tax

The charity is exempt from tax on income and gains falling within Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

The charity's trading subsidiary The Audience Agency Services Limited gift aids available profits to the parent charity. Its charge to corporation tax in the year was:

	2018 £	2017 £
UK corporation tax at 20% (2017: 20%)	-	-
	<hr/>	<hr/>

The Audience Agency

Notes to the accounts for the year ended 31 March 2018 (continued)

14 Fixed assets: tangible assets

The group

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 April 2017	27,888	225,536	253,424
Additions	-	34,546	34,546
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2018	27,888	260,082	287,970
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2017	27,479	97,793	125,272
Charge for the year	350	71,510	71,860
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2018	27,829	169,303	197,132
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2018	59	90,779	90,838
	<hr/>	<hr/>	<hr/>
At 31 March 2017	409	127,743	128,152
	<hr/>	<hr/>	<hr/>

The subsidiary company owns no fixed assets

15 Investments

	The group		The charity	
	2018 £	2017 £	2018 £	2017 £
Investment in Audience Agency Services Ltd	-	-	1	1
	<hr/>	<hr/>	<hr/>	<hr/>
Investments comprised:				
Unlisted shares in UK registered companies	-	-	1	1
	<hr/>	<hr/>	<hr/>	<hr/>

The shares in the subsidiary undertaking are carried at cost.

The Audience Agency

Notes to the accounts for the year ended 31 March 2018 (continued)

16 Subsidiary undertaking

The Charitable company owns the whole of the issued ordinary share capital of The Audience Agency Services Limited, a company registered in England, company number 06994989. The subsidiary is used for non-primary purpose trading activities.

Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

In accordance with guidance from the Financial Reporting Council in December 2017, the subsidiary no longer accrues the gift aid payment within its accounts. The payment to the parent charity will still be made within 9 months of the year end

Profit and loss account	2018 £	2017 £
Turnover	216,007	301,043
Cost of sales	(198,803)	(191,379)
Administration costs	(60,313)	(101,536)
Other operating income	41,978	-
Profit on disposal of intangible fixed assets	100,000	-
Taxation	-	-
Interest payable	(184)	(214)
Donation to parent charity	-	(7,914)
Net profit	£ 98,685	£ -
Balance sheet	2018 £	2017 £
Current assets	123,655	37,282
Creditors due in less than one year	(24,969)	(37,281)
	<u>£98,686</u>	<u>£1</u>
Called up share capital	1	1
Profit and loss account	98,685	-
	<u>£98,686</u>	<u>£1</u>

Of the current assets in the subsidiary, £60000 are debtors due in more than 1 year.

17 Parent charity

The parent charity's gross income and the results for the year are disclosed as follow:

	2018 £	2017 £
Gross income	2,086,149	2,018,199
Result for the year	(111,586)	(194,625)

The Audience Agency

Notes to the accounts for the year ended 31 March 2018 (continued)

18 Debtors

	The group		The charity	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	290,699	237,109	289,870	218,367
Amounts owed by subsidiary	-	-	114,024	7,531
Other debtors	176,646	17,698	71,296	14,843
Prepayments and accrued income	75,738	67,707	75,738	67,010
	<u>543,083</u>	<u>322,514</u>	<u>550,928</u>	<u>307,751</u>

£60000 of Other debtors are due in more than one year (2017: Nil)

19 Creditors: amounts falling due within one year

	The group		The charity	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	208,601	89,263	198,970	105,531
Taxation and social security costs	165,108	148,532	165,108	135,111
Other creditors	73,664	-	73,664	-
Short term compensated absences (holiday pay)	-	-	-	-
Deferred income	60,294	41,951	60,294	35,147
Accruals	12,060	25,793	12,060	-
	<u>519,727</u>	<u>305,539</u>	<u>510,096</u>	<u>275,789</u>

20 Deferred income

	The group		The charity	
	2018	2017	2018	2017
	£	£	£	£
Deferred income brought forward	41,951	58,120	35,147	54,094
Income received	25,147	-	25,147	-
Released to income	(6,804)	(16,169)	-	(18,947)
	<u>60,294</u>	<u>41,951</u>	<u>60,294</u>	<u>35,147</u>

The Audience Agency

Notes to the accounts for the year ended 31 March 2018 (continued)

21 Analysis of movements in restricted funds

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2018 £
Advice & assistance					
ACE audience finder	(95,292)	400,000	(370,530)	(13,950)	(79,772)
ACE on boarding	-	33,000	(33,000)	-	-
Data sharing guidance	-	10,159	(10,159)	-	-
Connect	-	17,694	(17,694)	-	-
Total	(95,292)	460,853	(431,383)	(13,950)	(79,772)

Previous reporting period	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2017 £
Advice & assistance					
ACE audience finder	125,002	698,000	(805,729)	(112,565)	(95,292)
ACE visitor finder	1,538	-	-	(1,538)	-
Data sharing guidance	-	20,000	(20,000)	-	-
Connect	-	17,836	(17,836)	-	-
Total	126,540	735,836	(843,565)	(114,103)	(95,292)

Name of **Description, nature and purposes of the fund**

ACE audience finder: this is funding to support a 'Big Data' project which will create a national understanding of audiences and public impact.

ACE on boarding: this fund is to support activity on offer to public facing NPOs who are required to contribute data to Audience Finder. It will focus on audience insight opportunities which will feed into development of their organisational business plans.

Data sharing guidance: to provide an update to data sharing guidance created for the Arts Council in the previous year.

Connect: seeks to promote innovative cooperation between universities and enterprises in the cultural sector across Europe. Forming part of The Audience Agency's wider international work, CONNECT will strengthen the connection between higher education and cultural managers already working in the sector - each learning from the other.

The Restricted Reserves shows a deficit at year end, this deficit relates to investment in fixed assets for the Audience Finder commission. This deficit will be recovered by the funding received from Arts Council England, for this ongoing piece of work, during 2017-18 and through the subsequent SSO funding.

Transfers out of restricted funds are in respect of purchases of fixed assets which are held for the charity's general use.

The Audience Agency

Notes to the accounts for the year ended 31 March 2018 (continued)

22 Analysis of movement in unrestricted funds

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers £	As at 31 March 2018 £
General fund	458,268	1,862,448	(2,003,504)	13,950	331,162
	<u>458,268</u>	<u>1,862,448</u>	<u>(2,003,504)</u>	<u>13,950</u>	<u>331,162</u>
Previous reporting period	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2017 £
General fund	431,061	1,535,495	(1,622,391)	114,103	458,268
	<u>431,061</u>	<u>1,535,495</u>	<u>(1,622,391)</u>	<u>114,103</u>	<u>458,268</u>
Name of					
General fund	The free reserves after allowing for all designated funds				

23 Analysis of group net assets between funds

	General fund £	Designated funds £	Restricted funds £	Total £
Tangible fixed assets	90,838	-	-	90,838
Net current assets/(liabilities)	240,324	-	(79,772)	160,552
Creditors of more than one year	-	-	-	-
	<u>331,162</u>	<u>-</u>	<u>(79,772)</u>	<u>251,390</u>
Total	<u>331,162</u>	<u>-</u>	<u>(79,772)</u>	<u>251,390</u>

£60000 of Other debtors are due in more than one year (2017: Nil)

The Audience Agency

Notes to the accounts for the year ended 31 March 2018 (continued)

24 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as

	Property		Equipment	
	2018 £	2017 £	2018 £	2017 £
Less than one year	6,714	32,243	1,441	2,591
One to five years	-	6,714	-	1,441
	<u>6,714</u>	<u>38,957</u>	<u>1,441</u>	<u>4,032</u>

The subsidiary company has no commitments under operating leases.

25 Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net income/(expenditure) for the year	(111,586)	(194,625)
Adjustments for:		
Depreciation charge	71,860	45,953
Dividends, interest and rents from investments	-	-
Decrease/(increase) in debtors	(220,569)	86,558
Increase/(decrease) in creditors	214,188	26,129
	<u>(46,107)</u>	<u>(35,985)</u>
Net cash provided by/(used in) operating	<u>(46,107)</u>	<u>(35,985)</u>