MOTIONHOUSE

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

Registered No: 02515820

Charity No: 328693

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REPORT OF THE TRUSTEES
year ended 31 March 2023

CHAIR'S STATEMENT
year ended 31 March 2023

There is much to celebrate as we look back to 2022/23 and I would like to personally highlight our new production *Starchitects*, which premiered this year. Motionhouse have created a show which is the perfect introduction to dance and theatre-going for young children and their families, and the response from audiences across the country has proved that there is demand for a show that is high-quality, innovative, challenging, funny and accessible. Many congratulations to all of the team for creating *Starchitects*, and we are excited to see its Christmas season iteration, *Starchitects Save Santa!* at Midlands Arts Centre Birmingham in November and December 2023 – the very first time Motionhouse has presented a long run of a show in one location for the Christmas season.

I would also like to highlight our strong programme of outdoor touring, which continues to be in high demand, with performances this year from Worthing, Grimsby and Tynemouth to Sweden and Barcelona. Outdoor audiences across the country and the continent are able to experience Motionhouse for free at festivals and community events, and the show *WILD* is one of the most spectacular and thoughtful shows created to date.

Education, training and community participation continue to be key elements of Motionhouse's approach, offering opportunities in schools and community settings across Warwickshire, the West Midlands and further afield.

Motionhouse is thriving post-Covid and ends the year in a positive financial position (much improved since the original budget for the year). However, the pressures on the sector and the national cost of living crisis are having an impact, and the ability to generate our earned income is becoming much harder. The financial picture for the next few years is one of the most challenging we have faced, with rising costs, lower fees and tougher deals from theatres, and investment required to maintain our dancer numbers, which are crucial for us to be able to deliver our programme. However, we are determined to find ways to achieve our plans for the creation of future new work, and to ensure that we continue our commitment to our overall programme and development.

Thank you to Arts Council England and Warwick District Council for their continued support, and to Birmingham Hippodrome where we are an Associate Company. Thank you also to the trusts and foundations, and individuals, who support us.

The Trustees would like to thank all of the dancers, staff and management team for their continued hard work and resilience, and I would like to thank my Trustee colleagues for their time and commitment to support the work of Motionhouse.

We are looking forward to delivering more of Motionhouse's groundbreaking work, inspiring audiences and participants alike as we continue to push boundaries with our innovative, creative and uplifting performances and engagement activity.

Simon Wales

Simon Wales
Chair

REPORT OF THE TRUSTEES (Continued)
year ended 31 March 2023

The Board of Directors, who are also Trustees for the purposes of charity law, are pleased to present their report and financial statements for the year ended 31 March 2023.

Public Benefit

Motionhouse is one of the UK's most creative and exciting dance companies. We engage with our audiences through dance performances that are acclaimed for their striking use of imagery and theatricality. Underpinning the work is a long-standing and continuing intention to balance a commitment to artistic adventure with the desire always to be exciting, appealing and stimulating to the broadest audience. Access to Motionhouse's performances is an important issue for us. Regular evaluation of our activities ensures that a wide range of people are able to benefit from our work, including: young and older people; low-income families; people from different cultures and ethnic minority backgrounds; people who are disabled or neurodivergent; and people from the LGBTQIA+ community.

With the support of our major funders, Arts Council England, local authorities and commissioners, Motionhouse presents world class performances throughout the United Kingdom in middle scale venues. Through our festival work and through larger scale spectacles, high quality dance is placed in the public arena enabling mass access to our performance work. The middle scale and festival productions also tour internationally, complementing and supporting UK performances.

The Trustees are committed to ensuring that cost should not prohibit access to Motionhouse performances. Tickets for performances across the UK are at a variety of prices, including a range of concessions and special offers. Motionhouse's festival repertoire takes dance into the community at no cost to audiences and allows dance to be seen in new and unusual settings. Motionhouse gives free public access to information and resources through the company's website and publications.

Motionhouse performances are supported by an extensive education and community programme. Through participatory projects group members are taught, excited and challenged. They learn new skills, create their own dance material and may go on to perform and share their work.

The Trustees have paid due regard to the Charity Commission's guidance on public benefit (including guidance on fee charging) when considering its charitable objects and aims and in deciding what activities the charity should undertake.

REPORT OF THE TRUSTEES (Continued)
year ended 31 March 2023

Activity

Introduction

After a challenging but ultimately positive comeback from Covid in 2021/22, we went into 2022/23 with a Trustee-approved deficit forecast of £98,168. Despite new challenges engendered principally by a sector still recovering from Covid, combined with ever rising costs as the country experienced a serious cost of living crisis, by year end we achieved a surplus of £29,671. This significant result was achieved thanks to prudent financial management and the deployment of strategic actions, specifically including cost-cutting and rationalising of touring opportunities, flexing our repertoire even beyond our usual indoor and outdoor markets by exploiting commercial opportunities, and levering our ever-increasing profile to attract new creative projects and income.

The positive end of year result for the year 2022/23 is made even more noteworthy when taking into account that in 2021/2022 we had benefitted from a £257,144 'Cultural Recovery Fund 2' award to invest in the capacity needed to return to sustainable trading and to support the next stages of our rebuilding, whereas in 2022/23, all additional Covid support had ceased.

In November 2022, we received the excellent news that we had been awarded a further three years' support as an Arts Council England National Portfolio Organisation, with standstill funding of £477,432 per year from 2023 to 2026. We are immensely grateful to Arts Council England for their continued support and understand the financial pressures that they are operating under. However, by 2026 at the end of the 2023 to 2026 funding period, we will be in our 8th year of standstill funding, which represents a significant real terms cut, particularly given the recent levels of inflation we are having to respond to.

Our work is sought after by promoters and bookers, and popular with audiences. But even though we continue to buck the trend in the context of the declining audience numbers that are currently being experienced across the sector, rebuilding to pre-Covid levels is proving challenging. Whilst we book major tours and sell to large houses, our earning potential is currently stagnant, and our sector too is facing standstill funding and ever-increasing costs. The cost-of-living crisis and inflationary pressures have had a negative impact on theatres who themselves are still rebuilding post-Covid. This impacts our ability to generate the income we need from touring as venues are offering lower and less competitive fees and deals. Therefore, we can only increase income through increasing the volume of touring, but this would require investment in our dancer numbers and in the face of our own rising costs and stagnant income we do not have the resources to expand the performer team. This will be the primary challenge over the coming years until the sector hopefully recovers.

Despite this, as we celebrate our 35th year, we remain positive. In addition to the quality and popularity of our work, we have in place an outstanding team of performers and administration staff, supported by an experienced Board of Trustees.

Theatre touring

Nobody: an exceptional offer for theatres and audiences

Our current mainstage touring production, *Nobody*, continued to tour throughout 2022/23, visiting another 11 venues in addition to the 12 visited in 2021/22, including two theatres in Germany. Our geographic reach, combined with the attraction of our distinctive and accessible combination of dance-circus, remarkable sets, digital projections and original sound scores, drew diverse audiences, both those new to dance (families, young people, non-theatre goers) as well as dance fans.

REPORT OF THE TRUSTEES (Continued)
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The high quality of *Nobody* is reflected in the press reviews, including 4-star reviews in The Guardian *("It's impossible to look away")* and The Times *("a bold and absorbing spectacle…of impressive reach and depth")*, and enthusiastic audience responses including standing ovations across the tour.

"WOW! The most amazing display of physicality I have ever seen. I took my 12- and 9-year-old boys and rugby-playing husband and you took their breath away! We enjoyed trying to interpret the movement content too. Fantastic! A must see for all! Thank you."

"It was brilliant! Like a kind of physical poetry that affected every cell in my body. So emotional!"

"Mesmerising. First time I've been to a show of this kind (dance) and I loved it." Audience members

Nobody by Motionhouse (2021). Images Dan Tucker

Despite the challenges of touring and low-ticket sales currently being reported in the sector, attendance for *Nobody* remains high. Our touring also continues to offer opportunities for creative activities with young people. One of the venues visited in the spring was Birmingham Hippodrome, where we are an Associate Company. This gave us our first opportunity to re-start our project work with young people (outside our community classes). Our Rehearsal Director, Junior Cunningham, worked with a group of young people from Birmingham Hippodrome's Hippodrome Education Network to create a "Curtain Raiser" piece to be performed onstage before *Nobody*.

***Starchitects*: introducing children and families to dance**

This year, we added a new strand to our work with the premiere in October 2022 of our first ever production for children and families, *Starchitects*. We have so far toured *Starchitects* to 8 venues, and the show continues to tour into 2023/24. *Starchitects* has an easy-to-follow, fun storyline, making it a perfect introduction to dance and theatregoing for young children.

Starchitects by Motionhouse (2022). Image Dan Tucker

The cost-of-living crisis does seem to be affecting family attendance more than *Nobody*, and in line with our aim to keep our ticket prices as low as possible, we have worked closely with venues to ensure their pricing is the lowest it can be within the parameters of their income requirements. *Starchitects* is so far proving to be popular with families: selling, for example, 64% of seats at Birmingham Hippodrome and 90% at Baltoppen Live in Denmark. Alongside the tour, we undertook a fundraising campaign to trusts and foundations to support 'Discover & Inspire: Lift-off into the arts for children aged three to ten', an ambitious access, participation and education project. The project offers a range of participatory creative activities and support for access provision in theatres. It aims to encourage families and children from all backgrounds to attend *Starchitects* in a theatre near their home, enabling them to experience exciting, high-quality dance in their own community. We were successful in raising £9,500 from the following trusts: The Edward and Dorothy Cadbury Trust, the W.E. Dunn Trust, the Golsoncott Foundation, The

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29th of May Charitable Trust and The Saintbury Trust to support the project. Thanks to this funding, our own investment and in partnership with our venue partners, we have been able to:

- Create an engaging and interactive *Starchitects* Activity Pack for children, including colouring in, word searches, Moon facts, and space-related games.
- Create an education pack for teachers who bring groups of school children to see the show, linked to the curriculum, focussing on creativity and providing them with valuable Continued Professional Development.
- Develop a workshop and 'Stay and Play' offer and undertake training sessions with our dancers so that they are able to deliver these activities.
- Reach 3,244 children in the West Midlands and an additional 1,440 children nationwide (total 4,684) with stimulating creative foyer activities with our dancers to deepen engagement through 22 'meet the characters' or 'stay and play' sessions.
- Deliver 3 post show discussions/Q&As with the cast, attended by 400 children/families.
- Deliver 3 relaxed performances, reaching 1,244 children and families.
- Offer 3 audio described performances for visually impaired children (or parents/siblings) at Birmingham Hippodrome, Theatre Royal Winchester and HOME Manchester.
- Offer 7 discounted/subsidised performances to theatres with lower budgets.
- Deliver 19 dance education workshops with an emphasis on creativity to support learning, reaching 599 young people from the Birmingham, Portsmouth, Manchester and Canterbury.
- Reach more than 8,038 family audience members through 36 performances at 8 venues.

"Totally awesome", Finn, aged 4

"It is funny, super smart and stunningly beautiful. Would recommend for any little people (and big ones too!)"

"I really liked it and I wish I could watch it again." Ella, age 4

"Hands down one of the best pieces of children's theatre I've seen"

"9 of us went - aged 3 to 70 - ALL loved it - imaginative, clever, skilful, fast paced."

"Honestly can't recommend this show enough! My 3-year-old daughter and 7-year-old nephew were completely transfixed."

"It's rare, I think, for a show to truly delight audiences of all ages but Starchitects ticks that box." Audience members

Children meet their favourite characters at Warwick Arts Centre

Outdoor touring – free work in public spaces

Our free outdoor festival repertoire supports our strategy to reach people who may find it challenging to enter a theatre or buy a ticket, by allowing artistic excellence to be enjoyed free of physical, cultural or financial barriers. In 2022/23 we performed outdoors 84 times to more than 75,000 people of all ages and backgrounds. This volume of touring is enabled through our repertoire of five outdoor productions of varying scales, designed to respond to different needs and budgets, from *WILD*, a 45-minute show with a cast of six, *Captive*, a 30-minute show with a cast of four, through to a suite of 3 short duets. 2022/23 was the first opportunity to extensively tour our flagship outdoor production *WILD* internationally, following Covid. The tour demonstrated that, despite the challenges of Brexit and rising costs, there is still a large appetite for our

France. Image Stef Darmon

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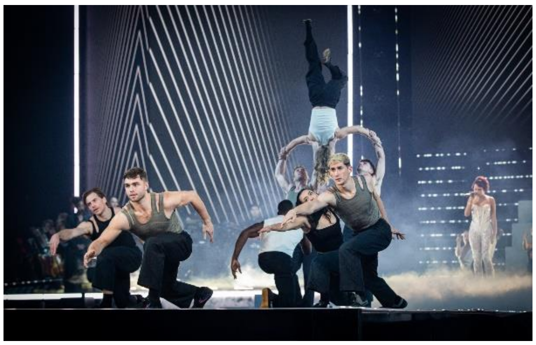
work in mainland Europe. We toured *WILD* to six European countries, with highlights being: a collaboration with Helsingborg Expo in Sweden, part of a major international exposition initiative; performances at Deventer Op Stelten in The Netherlands, where we performed five times to crowds of more than 2,000 people per show; and a 10-day tour of the Barcelona metropolitan region as part of Dansa Metropolitana. In the UK we reached communities in 24 locations including Bradford, Grimsby and Tynemouth, reaching people in the heart of their community with free, high-quality dance-circus.

Other work



Motionhouse perform alongside Raye on The National Lottery's New Year's Eve Big Bash on ITV. Image TBI

Crowds gather for The National Lottery's Big Eurovision Welcome event, Liverpool. Image Motionhouse

In our efforts to diversify our income, we have been developing an excellent working relationship with a production company which specialises in large TV and other events. In December 2022 we created a dance piece to be performed alongside singer Raye in The National Lottery's New Year's Eve Big Bash on ITV, seen on television by an estimated 9 million people, and watched live in the stadium by 8,000.

Our Artistic Director Kevin Finnan was then commissioned to play a critical role as Artistic Director in the star-studded National Lottery's Big Eurovision Welcome event in Liverpool on Sunday 7 May 2023.

Working with a range of talented people and organisations, Kevin was assisted by Daniel Massarella, Motionhouse dancer and Creative Assistant. From concept to delivery, they were the force behind the live show, which included drones by Celestial, projection mapping by Potion Pictures, plus beautiful hand-made lanterns, community choirs, poetry and performance. The show saw our remarkable performers on roofs, suspended from cranes and zip lines, as well as on stage. The show was watched live by a crowd of 25,000 people. Highlights from the show were featured on BBC One on Monday 8 May as part of the Eurovision Welcomes the World programme, which was watched by over 3 million people.

Children, young people and work in the community

Offering opportunities for people to take part in high quality creative activities has always been a key part of our work, and 2022/23 saw us build on this, offering our extensive education, training and community programme in schools and community settings across Warwickshire, the West Midlands and further afield. Focusing on skills development and the power of dance to inspire learning, support wellbeing and enhance lives, we had a participation reach of approximately just over 14,000 in 2022/23 through workshops and bespoke participatory and training projects. Highlights for 2022/23 include the successful delivery of a creative project (delayed due to Covid) with Warwickshire Young

Creative dance project, St Mary's Primary School, Banbury. Image Motionhouse

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Carers, supported by the Alan Edward Higgs Foundation, and a creative learning performance project with St Mary's Primary School, Banbury. In this financial year we delivered three 'Inspire & Move' sessions (performance of one of our duets, followed by a creative dance workshop with the students) to schools in Birmingham, Coventry and Guildford. We also worked with several schools in our local area, have an active youth company and youth board and reach approximately 100 local people from age 4 to 60+ each week through regular classes in our studio in Leamington Spa, as well as offering a range of classes and courses in the school holidays, which this year were attended by 130 children and young people.

Spotlight on Equality, Diversity and Inclusion

We remain committed to access and equality of opportunity in all aspects of our activity and operation. We are committed to promoting equality in all aspects of our work, and to creating a culture that respects, values and champions diversity and inclusion. We have an active Equality, Diversity and Inclusion Group made up of Trustees and staff members, which meets regularly to review our policies and action plans, and reports back to our Trustees, ensuring that we are listening, adapting, and holding ourselves accountable.

In everything we do we want to engage with people of different cultures, identities and ages, including people who are underrepresented in the world of dance and circus, such as those from working class and ethnically diverse backgrounds, people who experience racism, who are neurodivergent, living with disabilities, or from the LGBTQIA+ communities. In our efforts to do this, we are particularly proud of our commitment to reaching all geographical regions of the UK as high-quality touring work creates opportunities for arts access in unparalleled ways. Delivering our work in approximately 50 UK towns and cities each year, often in areas with limited arts access, we reach more people, UK-wide, than many arts organisations of comparable size. We offer tickets at a variety of prices and concessions, as well as an inclusive programme of local access initiatives with each production, including dance education sessions in schools, with community groups and charities; audio-described performances and touch tours for visually-impaired audiences; relaxed performances for people who benefit from a more relaxed theatre environment (such as children and adults with multiple learning disabilities, families with young children, people with dementia and sufferers of chronic illness); and creative residencies for local young people with the chance to perform a 'Curtain Raiser' before shows.

We offer audio description and touch tours for visually impaired audiences and visual stories and 'easy reads' for our outdoor production *WILD*, as well as *Nobody* and *Starchitects*. On its first tour we delivered 3 relaxed performances and audio described performances for visually impaired children (or parents/siblings) of *Starchitects*.

In January 2023, we were very proud that *Wondrous Stories*, the opening show of the Birmingham 2022 Festival, created and directed by Kevin Finnan, Artistic Director of Motionhouse, won the prestigious Access All Areas award in the 'Diversity and Inclusion' category. Access All Areas supports and showcases the power, creativity and successes of the outdoor and live events industry. *Wondrous Stories* was recognised for its inclusive practices not only on stage, but behind the scenes and for audiences.

The integrated cast of Wondrous Stories performs in Birmingham in March 2022. Image Brian Slater

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Environmental responsibility

We continue to proactively take steps to reduce our environmental impact through targeted action and use of resources, as well as using our artistic voice and communications messaging to provoke awareness, action and change. Our Environmental Action Plan focusses on the following areas: Recycling, Reusing and Re-imagining; Impact of Touring; Content and Messaging; Premises and daily practice. We need to be realistic about what is within and outside of our control to change. The aim of our plan is to reinforce behaviours already ingrained in our day-to-day practice to ensure that we minimise our environmental impact and remain efficient as a business; to further raise awareness and influence behaviour; and to focus on some particular areas for improvement in more detail. We regularly reuse or reimagine our sets and costumes. The set for *Starchitects* was made from the set for our 2013 touring production *Broken*, and this will be reused again for a new production in 2023. The *Captive* set was reimagined for *Nobody*, and *Captive* itself this year had its 10th year of touring. We are also exploring whether it is possible to use our new projection server to create our next touring production with minimal lighting, just projections, decreasing the need to tour stage lighting, and supporting our goal to reduce our environmental impact by reducing the amount of equipment we tour. Our Programme Coordinator has been gaining a deeper understanding of our current environmental impact and how we can reduce this. This involves undertaking Carbon Literacy training, incorporating predicted emissions into logistical planning when touring where possible, and researching developments that could help the company reduce its impact in the future, all of which is reported back to our Environmental Committee, which includes both staff and Trustees.

The set for Starchitects reuses the set from our 2013 production Broken.

Online

Digital content remains a key way in which we communicate with our audiences: on our website, our blog, and our social media channels. We continue to offer Open Rehearsals on Zoom or YouTube to people who are less mobile or who live too far away to attend. Our robust social media plan has seen all social media channels grow exponentially in 2022/23, with over 67,500 followers collectively across Facebook, Instagram, Twitter, YouTube, LinkedIn and TikTok. We launched our TikTok channel in April 2022, and this has been a huge success, providing us with a new way to share our content with audiences. Content shared on the channel is seeing substantial levels of engagement, with a remarkable eight viral videos, each with more than 500,000 views (two of which have had more than 10 million views each.) Other videos have gained hundreds of thousands of likes and comments, resulting in a following of 25,000 accounts in the first 12 months. Our social media is an accessible way for audiences who might not usually engage with our work to see what we do. In 2022/23 across our social channels, we have seen over 10,000 click-throughs to our website. We continue to offer regular opportunities for local people to access our creation process ‘behind the scenes’ by inviting them into our creation space in Leamington Town Hall. One such opportunity was taken up by The Friendship Project, a Warwickshire-wide charity that matches children and young people (who are in need, for a variety of reasons) with volunteers, for friendship and fun. Nineteen children and young people and their older friends enjoyed a rehearsal of *WILD* in February 2023.

Children and adults from The Friendship project for children enjoy and open rehearsal of our outdoor production WILD. Image Motionhouse

Local and regional partnerships

We continue to make a strategic contribution to the West Midlands and to Warwick District, supporting the local Creative Compact and Creative Quarter, offering training and mentoring, and strengthening the regional sector. We are one of the four Creative Partners of Warwick District Council and have strong relationships with Warwick Arts Centre, Midlands Arts Centre Birmingham and Birmingham Hippodrome, where we are an associate company.

Plans for the future and the financial outlook

In 2023/24 we will begin Research and Development for our next mainstage touring production, which will premiere at Warwick Arts Centre in February 2025. We are delighted that we have secured a grant of £65,000 over two years (£31,000 in 2023/24 and £34,000 in 2024/25) from the John Ellerman Foundation to support 50% of dancer and Artistic Director salaries during the R&D and creation phases for *Hidden* (working title) from 2023 to 2025.

We have been commissioned to create *Starchitects Save Santa!*, our first ever long-running Christmas show, which will be in residence at Midlands Arts Centre Birmingham as their Christmas production from 16 November – 30 December 2023.

In the current year (to March 2024), we have a budget deficit of £26,247. Financial forecasts are reviewed every month and discussed and approved by our trustees quarterly. This prudent deficit forecast is exacerbated by the steep increase in costs across all areas of our activity which are impacting our ability to improve financial targets. We are aiming for this deficit to be reduced further, subject to successful fundraising. In 2024/25, in line with our established creation and financial cycle, we have a planned deficit of £195,911 which represents the significant investment in our new production, *Hidden*. Reserves are already designated to mitigate this planned loss, in line with our Reserves Policy. Our forecast shows that if all targets are met, in 2025/26 we hope to be back to having a nominal surplus, enabling us to start to rebuild funds to create the next major show in 2028 or 2029.

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Financial review

The Motionhouse business model continues to rely on earned income from artistic activities to generate funds which, combined with the ACE NPO and other grants, fund Motionhouse activities.

The outlook for 2022/23 was for further recovery from the effects of the Covid pandemic with the outlook for performance activity becoming more promising. A significant year on year change was the cessation of the Covid recovery grants received in 2021/22 (£270k), this loss of income could in practice only be made up from an increase in artistic activities. Consequently a prudent budget for 2022/23 was set, with an anticipated deficit of £98,168 for the year that would be funded by the reserves.

In the event the demand for our productions exceeded the budget and by the year end the company financial performance was such that a surplus of £29,671 was achieved.

Income

The main drivers of earned income were the Theatre productions of *Nobody* and *Starchitects*, together with the festival/outdoor productions of *WILD*, *Captive* and the duets. The contract with Bluestone National Park Resort for summer performances of *HENGE* also restarted for the first time since 2019. Contracts linked to the cultural activities of the Birmingham 2022 Festival and for the National Lottery's New Year's Eve Big Bash on ITV were achieved, neither were in the original budget as they were secured after the annual budget was set.

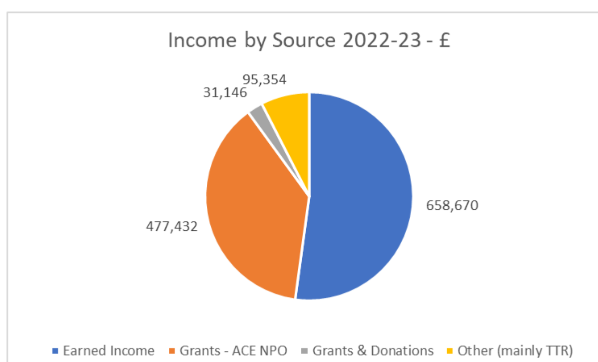
The wide range of our repertoire and skills enabled by the rebuilding of the Motionhouse team, assisted by the ACE CRF2 and Local Authority funding in 2021/22, coupled with the level of customer demand were the prime reasons for the recovery in earned income, from performances and participatory activities, from £563,009 to £658,670.

The Education and Community work continued to grow with workshops, weekly and holiday classes each achieving income in excess of budget. The income from workshops benefitted from a focus on this offer, and the revised range of classes has been popular with age ranges from 4 years of age upwards.

The Theatre Tax Relief claim for the production of *Nobody* for £93,856 was submitted as part of the Corporation Tax return. This cultural tax relief is generated by the creation of new productions and the amount of the tax relief varies with the individual production costs.

A number of grants were received to support our productions, details of these are set out in the grants section below. The main change year on year was the reduction in Covid related grants from £270,132 in 2012/22 to £nil in 2022/23.

The sources of our income for the year is shown in the pie chart. Earned income including Theatre Tax Relief has now reached 60% of total income. The ACE NPO grant is 38%.



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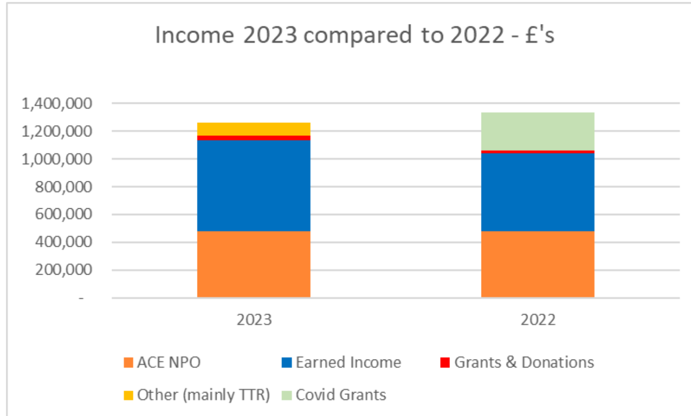
The year-on-year recovery of income from the pandemic can be seen in this graph. The key changes are the reduction in Covid grants to zero (green), and the growth of earned income (blue) supplemented by Other (yellow) – mainly Theatre Tax Relief. The ACE NPO grant (brown) is unchanged.



Expenditure

A prime focus of the company continues to be cost control. To ensure that the finite nature of our resources is understood, our activities are budget/cash limited. Management accounts are prepared monthly, and the full year forecast is reviewed on a monthly basis to monitor progress and to put any corrective actions necessary in place to ensure that financial targets will be met.

As expected, the withdrawal of the UK from the EU has continued to result in increased costs, reduced tour flexibility and increased administration time and costs for performances in the EU. Fortunately, demand from the EU remains strong.

Salaries - the primary element of cost is salaries and in 2022/23 reflects the full year effect of the recruitment carried out during 2021/22. A number of these new employees received planned increments as their skills developed. One of the technician posts became a salaried post rather than a contractor and is now included in this cost category. The salary cost was also increased by the restart of the contract with Bluestone National Park Resort that required the recruitment of additional dancers on short term contracts to perform *HENGE*. Royalty payments were received by several dancers for 2 specialist productions.

Management & direction – the fee for the services provided by Houseworks was increased for the first time since 2018/19.

Technical support – The cost of technicians employed as contractors are directly driven by the volume and mix of productions, with the production of *Nobody* requiring more technical support than *Starchitects* and *WILD*. Consequently, these costs will fluctuate from year to year.

Production costs & tour travel total – these costs are directly related to the number of performances and venues. The year-on-year reduction in these costs is due to the one-off production costs of *Wondrous Stories* for the Birmingham 2022 Festival 2021/22.

Marketing – the cost of marketing activities returned to its normal level following the one-off increase in 2021/22 for filming work for the *Wondrous Stories* performances at the Birmingham 2022 Festival.

Premises – there was small rent increase for the Spencer Yard premises (in accordance with the lease) that was more than offset by the result of a concerted effort to reduce all costs included in the service charge (especially heating). In 2021/22 there were also one-off costs to set up the barn workshop.

Depreciation – the cost in 2022/23 includes full year depreciation for the Disguise servers and part year for the newly acquired Ford Torneo.

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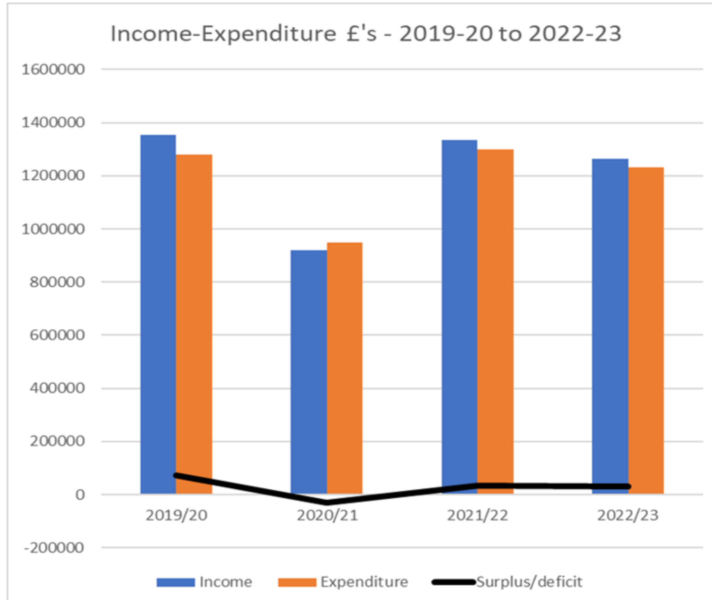
Office costs – the general office costs are at a similar level to previous years, the reduction year on year is due to a one-off accounting correction to VAT liability in our favour.

Recovery from the pandemic - financial results for the period 2019-2023

This graph shows the level of income and expenditure and surplus/deficit over the 4-year period from 2019/20 to 2022/23.
This includes all income including Covid related grants.

The graph shows that Motionhouse has managed to maintain its finances in a good order through the pandemic and is almost back to pre-pandemic levels of activity despite the challenges of rebuilding its market, although the real terms value of income generated is less than it was in 2019/20.



Cash flow

The cash balance at year end is £455,346 and this is lower than the position on 31/3/22 despite a surplus of £29,671 in 2022/23. The main reason for this is that the Theatre Tax Relief claim of £93,856 was submitted to HMRC in March 2023 and the income from it is shown as an income accrual in the 2022/23 accounts. (Payment was received from HMRC on 14th August 2023).

The income accrual also included fees for performances in February and March 2023 totalling £29.5k. All these invoices have been settled.

Investment

During the year both of our vans were retired. The decision was made to replace one van with the purchase of a Ford Torneo (see balance sheet), and to hire a second van as an interim measure.

Reserves

The reserves at the start of the year were £598,935 and during the year we were able to increase earned income significantly recording a surplus of £29,671 for the year. The reserves at year end totalled £628,606.

The reserves at year end comprised Restricted £Nil, Designated £400,000 and General reserve £228,606.

The Trustees have reviewed the reserves policy and decided that the Designated reserves should comprise £250,000 for new work and artistic investment, £90,000 for vehicle replacement and £60,000 for inflationary pressure risk mitigation.

REPORT OF THE TRUSTEES (Continued)
year ended 31 March 2023

The Trustees have also considered the worst-case possibility of closure and consider that the maximum cash reserve to meet closure costs is £200,000. This comprises Statutory Redundancy costs, photocopier lease, the Houseworks contract, and premises rental. This is covered within the General reserves.

Reserves Policy

The charitable company needs reserves to provide funds to:

- Continue to develop new work and invest in artistic exploration;
- Invest in and replace fixed assets;
- Continue to meet strategic objectives if there is any major shortfall in income;
- Give a breathing space should the company lose a major source of funds;
- Continue to run the business if there are any unexpected expenses; and
- Cover the costs associated with winding up should such an eventuality arise.

The amount of money required in reserve depends on the stage of the performance 'life cycle'. The company plans and budgets on a four-year cycle embracing the researching, creating, producing and touring of performance work. The level of reserves needed fluctuates both between years and within years, based on activity.
The company policy is to achieve a level of reserves that would cover all liabilities, including the potential costs of winding up the company if circumstances required, and the Trustees believe that an adequate level of reserves is up to £200,000 depending on the stage in the 'life cycle', and the level and nature of activity.
The Head of Finance reports reserve levels to the Trustees each quarter as part of the review of the management accounts.
The company's investment policy is to invest surplus cash balances to maximise interest whilst not exposing the company to risk and taking into account future cash needs.

Governance

Good Governance is a key part of how we operate, and our compliance is regularly reviewed by the Board of Trustees and the Management team. Financial reporting and control is an important part of this and our performance against Budgets and Forecasts is reviewed and presented to the Trustees. Our Risk Register plays a vital part in how the business of the Charity is monitored, and risks are categorised according to their severity, and mitigating action is taken wherever possible. Specialist Sub Committees of the Board of Trustees meet regularly to review and advise on areas such as Finance, EDI, Environmental Responsibility, Safeguarding, and Staff Welfare. Overall, we are constantly aware of the importance of good Governance and this has a continuing influence on the operation of the Board of Trustees and the Management Team.

2023/24 and beyond

The budget for 2023/24 includes an income figure of £1,146,932. This is based on performances being negotiated and that are firmly booked, together with other earning activities. The budgeted expenditure is also prudent and is £1,173,179. The budget for the full year 2023/24 is a deficit of £26,247, the Trustees have reviewed this and agreed this can be funded from General reserves.

Since the budget was set the current inflationary pressures have evolved and may result in challenges in terms of costs, and may also affect demand. A Designated reserve has been created to mitigate this risk.

The year 2024/25 is the year when the new theatre production will be designed, constructed and rehearsed and as a consequence the financial result will be a significant deficit. This deficit will be covered by designated reserves that have already been allocated – see Designated Funds for New Work and Artistic Investment in Note 13 and on the balance sheet.

REPORT OF THE TRUSTEES (Continued)
year ended 31 March 2023

Financial performance

Financial performance is monitored regularly by both the management team and the Trustees. Management Accounts are prepared monthly and reviewed by the Executive Director and Head of Finance. The forecast for the year end is then updated monthly and compared to the financial plan. Any remedial actions required to ensure financial targets will be met are discussed and actioned. Management Accounts are presented to the Trustees at the quarterly Board meetings for review and approval.

Motionhouse’s financial objective is to ensure financial stability and continued solvency year on year so that we can maintain our artistic aims and objectives. For the financial year ending 31 March 2023 Motionhouse recorded an overall surplus of £29,671.

The new financial year (2023/24) begins with a reserves balance of £628,606; comprising £228,606 unrestricted general reserves, £400,000 designated reserves, and £nil restricted reserves. Restricted funds are held in accordance with the terms and conditions under which they were received. Where funding is received from particular sources to cover specific development work, those funds are reflected as income in the year in which they are received, and they are held as restricted reserves. The designated funds are for the creation of new work and artistic investment, vehicle replacement and risk mitigation.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Fees for Motionhouse's touring and educational work generate a large proportion of total income and in addition Motionhouse is funded by Arts Council England, grants from charitable trusts, donations, through Local Authority Service Agreements, and by commissioning of new touring productions.

Grants

Core funding from Arts Council England, was £477,432 in 2022/23.

Fundraising remains a key focus and is proving to be difficult and increasingly competitive in light of the pressures in the sector. Income includes grants and commissions (see Note 13) from:

- 29th May 1961 Charitable Trust
- Coventry University
- Edward & Dorothy Cadbury Trust
- Birmingham Hippodrome
- Warwickshire County Council
- Leamington Spa Town Council

Grants received in 2021/22 and spent in 2022/23 were:

- Creative Alliance
- Golsoncott Trust
- MAC - Midlands Arts Centre
- Saintbury Trust
- W E Dunn Charitable Trust

Grants received and deferred to 2023/24 (see Note 11) were received from:

- Warwick District Council

Donations are also received from individual donors.

REPORT OF THE TRUSTEES (Continued)
year ended 31 March 2023

Fundraising

The Charity neither participates in publicly marketed fundraising events nor in the active soliciting of donations from members of the general public. Accordingly, the charity is not registered with the Fundraising Regulator, although the Trustees will keep the situation under review.

Reference and administration information

Charity Name	Motionhouse
Charity Registration Number	328693
Company Registration Number	02515820
Registered Office	Spencer Yard Leamington Spa Warwickshire CV31 3SY

Articles of Association

The Articles of Association (paragraph 3.3) were amended by special resolution on 19th May 2022 to change the maximum number of Trustees from 12 to 20. This was to enable the recruitment of individuals with additional expertise to join the Board of Trustees following a particularly strong response to a recruitment campaign for new Trustees. The recruitment process also strengthened the diversity of the Board of Trustees in line with the company's EDI objectives.

Board of Trustees

The following individuals served as Trustees during the year:

Catherine Cassidy
Giles Clifford
Jonathan Cochrane
Sarah Gee FRSA, MIoD
Yvonne Gilligan [1]
Naveen Gupta (resigned 7 November 2022)
Martin Nwangwa
Rakhi Rajani
Colin Robertson
Toby Smith
Josie Stevens
Abigail Viner
Simon Wales (Chair)
Zaylie-Dawn Wilson

[1] Chair of the Finance & Audit Committee

Company Secretary

Andrew Johnson CGMA, ACMA

REPORT OF THE TRUSTEES (Continued)
year ended 31 March 2023

Executive team

The services of the Executive Director, Louise Richards FRSA and Artistic Director, Kevin Finnan MBE are contracted through Houseworks Arts Limited.

The Trustees consider the senior management team to comprise the Programme Producer, the Communication and Development Director and the Head of Finance. The pay of the senior management team is set with reference to benchmarking using comparable roles in organisations similar to Motionhouse. The contract with Houseworks Arts Limited (as detailed at Note 18) is negotiated in line with the Arts Council Funding Agreement.

The staff team as of 31st March 2023 comprised:

Performers:	Alexandra De La Bastide Oliver Bell Berta Contijoch Llewelyn Brown Beth Pattison Christopher Knight Daniel Massarella Joel Pradas Reguil Trenton Scott
Rehearsal Director:	Junior Cunningham
Creative Learning Manager:	Hannah Lockyer
Creative Learning Dance Artist:	Camilla Lloyd (joined June 2022)
Administration – Programmes:	Victoria Collins Tom Ball
Administration – Marketing:	Jane Bailey Ellen Dainty
Administration:	Eileen Liptrot (joined Oct 2022)
Administration – Finance:	Andrew Johnson
Technicians:	Danielle Tamsin Harris Andrew Smith

Auditors
Harrison Beale & Owen Limited
Highdown House
11 Highdown Road
Leamington Spa
Warwickshire
CV31 1XT

Bankers
HSBC Plc
126, The Parade
Leamington Spa CV32 4BS

REPORT OF THE TRUSTEES (Continued)
year ended 31 March 2023

Constitution and general objects

The charity was formed on 26 June 1990 as a company limited by guarantee and a registered charity. The company is governed by its articles of association that were updated and adopted on 19th May 2022.

The Objects of the Charity are for the public benefit to advance education in the dramatic and visual arts, in particular (but not exclusively), dance and similar choreographic arts, drama, mime, singing and music by their production, performance, choreography and training.

The organisation

Underpinning the artistic work is a continuing commitment to excellent management at all levels. The company has a strong and experienced Board of Trustees and a dedicated and expert staff team. Through both full Trustee meetings and a range of sub committees, the Trustees actively engage in Motionhouse's development and activities at all levels. Developing new markets is a pillar of our financial and artistic planning so new performance and touring models continue to be explored.

Recruitment and appointment to the Board of Trustees

Trustees are recruited and appointed on the basis of their expertise and experience, their professional and community background and other relevant experiences and skills. The Board of Trustees as a whole seeks to reflect the diversity of the West Midlands and further afield.

Trustees are appointed for an initial term of 3 years and may be eligible for re-election in accordance with the Articles of Association.

There is a Finance and Audit Committee, with a separate Trustee Chair to the main Board, which meets separately to the main Board and draws upon the experience and skills of appropriate Trustees as required. Specialist Sub Committees of the Board of Trustees meet regularly to review and advise on areas such as Finance, environmental responsibility, EDI, Safeguarding, and Staff Welfare.

Trustee induction and training

There is an induction programme for new Trustees. They meet with the Chair and Executive Director for an introduction to the company, observe a Trustee meeting prior to appointment, meet with the dancers for question-and-answer sessions, and they attend performances of indoor and outdoor productions. New Trustees also review recent accounts and Board papers with the management team.

Risk management

The Trustees are responsible for the company-wide risk management. With the assistance of the management team the Trustees monitor the major risks to which Motionhouse is, or may be, exposed. Any current matters are brought to the notice of the Trustees at their quarterly meetings, unless the risk is deemed of such importance that all trustees should be alerted by electronic means in a timelier manner. During the year the company has actively reviewed the safeguarding policies and compliance with GDPR is reported on at Board meetings. During the course of this financial year, the risk register has also been refreshed and updated.

REPORT OF THE TRUSTEES (Continued)
year ended 31 March 2023

The most significant risks facing the organisation and the risk management strategy for 2023/24, as at September 2023, are detailed in the table below:

Nature of risk	Category	Risk management strategy
Inability to maintain current dancer numbers due to financial and budgeting pressures, in the particular context of upcoming recruitment	Artistic	Careful review by senior staff and trustees, transparent dialogue with trustees on reality of financial situation. Ongoing discussion with Finance Committee
Significant impact on future resilience caused by macro-economic external influences including inflation, spiralling costs and financial instability causing uncertainty in budgeting & forecasting	Financial	P&L forecast and financial modelling reviewed monthly. Business planning and budget forecasts are prudent and remodelled monthly to take into account upcoming risks and uncertainty. Tight cashflow disciplines in place with Board & staff in constant dialogue. Designated reserves created to manage financial risks.
Pressures on sector, leading to significant impact on our earned income targets.	Financial	Constantly seeking new venues and developing new models to reach new audiences and increase earned income, responding to opportunities and the changing climate. Strong dialogue with existing partner venues, to ensure we're aware of potential challenges in the pipeline. Strong marketing support from selling pack and audience materials provided to venues
Adverse financial impacts of not achieving fundraising targets.	Financial	Prudent fundraising targets are created alongside full-cost recovery budgeting, with targeted approaches to potential funders. Income reviewed monthly as part of I&E monitoring process.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Motionhouse 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 company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 operation.

REPORT OF THE TRUSTEES (Continued)
year ended 31 March 2023

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 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 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.

This report was approved by the Trustees on 30th October 2023 and signed on its behalf.

Simon Wales
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOTIONHOUSE

Year ended 31 March 2023

Opinion

We have audited the financial statements of Motionhouse (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and Notes to the Financial Statements, including 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 charitable company's affairs as at 31 March 2023, and of its 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 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOTIONHOUSE

Year ended 31 March 2023

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 Report of the Trustees (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

• the Report of the Trustees 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 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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Report of the Trustees and from the requirement to prepare a strategic report.

Responsibilities of trustees
As explained more fully in the trustees' responsibilities statement set out on pages 18-19, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOTIONHOUSE

Year ended 31 March 2023

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

The audit process includes an assessment of the entity's risk environment, through enquiry of and discussion with management and those charged with governance, including an assessment of any key laws and regulations with which the charitable company must comply in the ordinary course of its operations.

Additionally, the overall risks of irregular transactions occurring are assessed following our observations and confirmation of the design and implementation of management's controls. Whilst we are mindful of these risks, our audit focus is geared towards the risk of material misstatement in the financial statements as a whole.

As such, our procedures cannot guarantee that all transactions have been fully compliant with all relevant laws and regulations, including those regulations relating to fraud, as our procedures are not designed to detect all instances of non-compliance. By definition, the risk of our detection of non-compliance is greater where compliance with a law or regulation is removed from the events and transactions reflected in the financial statements. The risk is also greater regarding irregularities due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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

Mark Ashfield BA FCA
Senior Statutory Auditor
for and on behalf of:
Harrison Beale & Owen Limited
Chartered Accountants and
Statutory Auditor

Highdown House
11 Highdown Road
Leamington Spa
Warwickshire
CV31 1XT

Date 30 October 2023

Harrison, Beale & Owen Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an income and expenditure account)
for the year ended 31 March 2023

	Note	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
Income					
Grants	2	479,932	17,630	497,562	750,064
Donations	2	4,766	6,250	11,016	19,715
Charitable activities	3	658,670	-	658,670	563,009
Investments		1,498	-	1,498	64
Other – theatre tax relief		93,856	-	93,856	-
Total income		1,238,722	23,880	1,262,602	1,332,852
Expenditure					
Charitable activities	4	1,200,301	32,630	1,232,931	1,300,076
Total expenditure		1,200,301	32,630	1,232,931	1,300,076
Net income / (expenditure) for the year	6	38,421	(8,750)	29,671	32,776
Reconciliation of funds					
Fund balances at 1 April 2022	13	590,185	8,750	598,935	566,159
Fund balances at 31 March 2023	13	628,606	-	628,606	598,935

All income and expenditure derive from continuing activities.

All gains and losses recognised in the year are included above.

The notes on pages 26 to 37 form part of these financial statements.

BALANCE SHEET
Company Number: 02515820
as at 31 March 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	8		67,577		61,886
Current assets					
Stock		2,276		1,499	
Debtors	9	167,318		53,230	
Cash at bank and in hand		455,346		645,494	
		624,940		700,223	
Creditors: amounts falling due in one year	10	(63,911)		(163,174)	
Net current assets			561,029		537,049
Total assets less current liabilities and total net assets			628,606		598,935
Funds					
Restricted	13		-		8,750
Unrestricted	13				
Designated			400,000		345,000
General			228,606		245,185
Total funds			628,606		598,935

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

These financial statements were approved by the Trustees on 30 October 2023 and signed on its behalf by:

Simon Wales

Simon Wales
Chair

Yvonne Gilligan
Trustee

The notes on pages 26 to 37 form part of these financial statements.

STATEMENT OF CASHFLOWS
For the year ending 31 March 2023

		2023 £	2022 £
Cash flow from operating activities	19	(160,597)	117,040
Cash flow from investing activities			
Interest received		1,498	64
Purchase of fixed assets		(31,049)	(63,652)
Disposal of fixed assets		-	-
Net cash flow from investing activities		(29,551)	(63,588)
Net (decrease)/increase in cash and cash equivalents		(190,148)	53,452
Cash and cash equivalents at start of period		645,494	592,042
Cash and cash equivalents at end of period		455,346	645,494

Cash and cash equivalents consists of:

	2023 £	2022 £
Cash at bank and in hand	455,346	645,494

Analysis of change in net funds	**At 1.4.22 £**	**Cash flow £**	**At 31.3.23 £**
Net cash			
Cash at bank and in hand	645,494	(190,848)	455,346
	645,494	(190,848)	455,346

NOTE – the movement in cashflow reflects the submission in March 2023 of the Theatre Tax Relief claim for £93,856 and invoices for £29,500 for performances. These were included in the income accrual in these accounts and were settled in 2023/24.

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NOTES TO THE FINANCIAL STATEMENTS
year ended 31 March 2023

1.1 Summary of significant accounting policies

Motionhouse is a charitable company limited by guarantee in the United Kingdom. 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 address of the registered office is given in the charity information on page 15 of these financial statements.

The Objects of the charity are for the public benefit to advance education in the dramatic and visual arts, in particular (but not exclusively), dance and similar choreographic arts, drama, mime, singing and music by their production, performance, choreography and training.

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Critical Accounting Estimates and Judgements

To be able to prepare financial statements in accordance with FRS 102, the Charity must make certain estimates and judgements that have an impact on the policies and the amount reported in the annual accounts. The estimates and judgements are based on historical experiences and other factors including expectations of future events that are believed to be reasonable at the time such estimates and judgements are made.

1.3 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity, for example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

The charity receives government grants in respect of Arts Council England funding. Income from government and other grants is recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

NOTES TO THE FINANCIAL STATEMENTS
year ended 31 March 2023

1.4 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include audit fees and costs linked to the strategic management of the charitable company.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold improvements	- over the remaining term of the lease
Equipment	- 33% straight line
Computers	- 33% straight line
Motor vehicles	- 20% straight line

Items costing less than £5,000 are not capitalised but are written off to revenue on purchase.

Tangible fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

1.6 Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.7 Taxation

Motionhouse meets the definition of charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

The charitable company is able to claim a refundable corporation tax credit under the HMRC Theatre Tax Relief Scheme. Theatre Tax Relief of £93,856 (2021/22: £nil) has been included in these accounts.

1.8 VAT

The company is registered for VAT and costs are therefore shown exclusive of VAT.

NOTES TO THE FINANCIAL STATEMENTS
year ended 31 March 2023

1.9 Going concern

At the time of signing the Accounts, the Trustees have considered all material operating issues and risks affecting the sector as a whole, specifically the impact of reduced earnings from venues, inflation, and the need to retain staff. Additionally, meeting fundraising targets is a real challenge in the present environment. The Trustees are extremely aware of these risks and are working with the executive team to mitigate the impact wherever possible. Targets are prudent and a monthly review of actual performance against targets is in place, along with a constant dialogue between Trustees and staff.

The Trustees deem that the charity holds sufficient reserves to absorb short-term in-period deficits.

The financial forecasts prepared by the executive team show that the charity will be able to operate within the financial resources available to it for a period of 12 months from the date of signing these accounts.

The Trustees are of the opinion that there are no material uncertainties that cast significant doubt upon the charity's ability to continue as a going concern and, as such, the accounts are prepared on a going concern basis.

1.10 Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds are unrestricted funds that have been allocated to a particular purpose/project.

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

1.11 Foreign Currencies

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

1.12 Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.

1.13 Pensions

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

NOTES TO THE FINANCIAL STATEMENTS
year ended 31 March 2023

2 Income from grants and donations

	2023 £	2022 £
Grants		
Arts Council England – Grant in Aid - Revenue	477,432	477,432
Arts Council England – CRF2 Grant	-	257,144
Warwick District Council – Key Client Strategic Contribution	2,500	2,500
UK Government - Job Retention Scheme	-	(11,512)
Warwick District Council - Local business support	-	24,500
	479,932	750,064
Donations		
Trusts and Foundations	17,630	200
Individual donations including gift-aid	11,016	19,515
	28,646	19,715
Total grants and donations	508,578	769,779

£23,880 (2021-22: £8,950) of the above income was attributable to restricted funds (further detail is given in note 13).

£484,698 (2021-22: £760,829) of the above income was attributable to unrestricted funds.

GRANTS - In 2022 the 'Arts Council England – CRF2 Grant', 'UK Government - Job Retention Scheme' & 'Warwick District Council – Local business support grant' were all one offs related to recovery from the covid pandemic.
DONATION – In 2022 Motionhouse received one off donations from the Mayor's Charity and from an individual donor.

3 Income from charitable activities

	2023 £	2022 £
Merchandise sales	7,175	2,397
Performance, Education and Community Activity	636,495	549,612
Co-commissioning	15,000	11,000
	658,670	563,009

£nil (2021-22: £nil) of the above income was attributable to restricted funds.

£658,670 (2021-22: £563,009) of the above income was attributable to unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS
year ended 31 March 2023

4 Expenditure

	Performance programme	Education & community	Development	2023	2022
	£	£	£	£	£
Staffing costs	516,908	129,227	-	646,135	564,679
Management and Direction	72,000	24,000	24,000	120,000	105,000
Technical support	81,020	-	-	81,020	92,268
Production costs	96,420	-	-	96,420	118,008
Tour travel and subsistence	124,696	6,564	-	131,260	239,113
Marketing/PR	15,570	820	-	16,390	27,635
Premises costs	52,406	5,823	-	58,229	69,173
Depreciation	25,104	254	-	25,358	23,748
Office and other costs	46,052	5,117	-	51,169	55,252
	1,030,176	171,805	24,000	1,225,981	1,294,876

Governance Costs

	2023	2022
Governance costs (meeting expenses)	-	-
Audit fee	6,150	4,400
Accountancy support – Tax	800	800
	1,232,931	1,300,076

£32,630 (2021/22: £34,016) of the above costs were attributable to restricted funds (further detail is given in note 13).

£1,200,301 (2021/22: £1,266,060) of the above costs were attributable to unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS
year ended 31 March 2023

5 Staff numbers and costs

	2023 No.	2022 No.
The full-time equivalent average number of employees (including contract, casual and part time staff) during the year was as follows:		
Administration	8.1	7.2
Performers & technicians	14.4	12.3
	22.5	19.5

	2023 £	2022 £
Staff costs		
Wages and salaries	588,347	513,248
Social security costs	44,944	40,290
Pension costs	12,844	11,141
	646,135	564,679

No employee received emoluments of £60,000 or more during the year (2021/22 – none).

The key management personnel employed by the charitable company comprise the Programme Producer, the Finance Manager and the Communications and Development Director. The total employee benefits of the employed key management personnel of the charitable company was £104,125 (2021/22: £97,570).

Note 18 provides details of payments made to the Artistic and Executive Directors, who are also considered to be key management personnel.

6 Net income for the financial year

	2023 £	2022 £
Net income for the financial year is stated after charging:		
Lease payments recognised as an expense	50,113	49,877
Auditor's remuneration		
- audit services	6,150	4,400
- taxation services	800	800
Depreciation	25,358	23,748
Exchange loss on year end foreign cash holding	-	288

7 Trustees' emoluments

The Trustees did not receive any remuneration in the year to 31 March 2023 or the previous year. No expenses were reimbursed to Trustees in the year (2021/22: £nil).

NOTES TO THE FINANCIAL STATEMENTS
year ended 31 March 2023

8 Tangible fixed assets

	Leasehold Improvements	Equipment	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
1 April 2022	29,537	497,818	28,589	99,673	655,617
Additions	-	-	-	31,049	31,049
Disposals	(29,537)	(434,164)	(28,589)	(99,673)	(591,963)
31 March 2023	-	63,654	-	31,049	94,703
Depreciation -					
1 April 2022	29,537	435,932	28,589	99,673	593,731
Charge for the year	-	21,218	-	4,140	25,358
Disposals	(29,537)	(434,164)	(28,589)	(99,673)	(591,963)
31 March 2023	-	22,986	-	4,140	27,126
Net book value					
At 31 March 2023	-	40,668	-	26,909	67,577
At 31 March 2022	-	61,886	-	-	61,886

9 Debtors

	2023	2022
	£	£
Trade debtors	17,422	9,688
Prepayments	15,768	4,408
Accrued income	125,135	16,410
VAT debtor	8,993	22,724
	167,318	53,230

NOTE – the Accrued income increase primarily comprises the Theatre Tax Relief claim of £93,856 submitted to HMRC in March 2023.

NOTES TO THE FINANCIAL STATEMENTS
year ended 31 March 2023

10 Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	32,896	110,639
Other taxation and social security	12,046	13,283
Accruals	16,539	30,352
Deferred income – (note 11)	1,795	8,750
Other creditors	635	150
	63,911	163,174

Note – trade creditors in 2022 included £53,332 relating to Birmingham 2022 Festival performances and £21,218 final payment for the purchase of the Disguise Systems servers.

11 Deferred income

	£
Balance at 1 April 2022	8,750
Amount released to incoming resources	(8,750)
Amount deferred in the year	1,795
Balance at 31 March 2023	1,795

Deferred Income relates to grant income received in advance from Warwick District Council.

12 Transactions involving Trustees

No Trustee has had any beneficial interest in a material contract to which the charitable company was party.

Trustees made donations to the charity, without conditions, of £1,085 (2021/22: £845) during the year.

NOTES TO THE FINANCIAL STATEMENTS
year ended 31 March 2023

13 Funds

Funds	At 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2023 £
Restricted funds					
Income Grants/Commissions /Donations					
Saintbury Trust	2,000	-	(2,000)	-	-
Golsoncott Trust	1,000	-	(1,000)	-	-
W E Dunn Charitable Trust	500	-	(500)	-	-
MAC Birmingham	5,000	-	(5,000)	-	-
Creative Alliance	250	-	(250)	-	-
29th May 1961 Charitable Trust	-	5,000	(5,000)	-	-
Coventry University	-	6,000	(6,000)	-	-
Edward & Dorothy Cadbury Trust	-	1,000	(1,000)	-	-
Birmingham Hippodrome	-	10,000	(10,000)	-	-
Warwickshire County Council	-	680	(680)	-	-
Leamington Spa Town Council	-	1,200	(1,200)	-	-
	8,750	23,880	(32,630)	-	-
Unrestricted funds					
General	245,185	1,238,722	(1,200,301)	(55,000)	228,606
Designated funds:					
New work & artistic investment	200,000	-	-	50,000	250,000
Inflationary pressure	-	-	-	60,000	60,000
Vehicle replacement	70,000	-	-	20,000	90,000
Risk mitigation/covid recovery	75,000	-	-	(75,000)	-
Total Unrestricted funds	590,185	1,238,722	(1,200,301)	-	628,606
Total funds	598,935	1,262,602	(1,232,931)	-	628,606

Restricted funds represent:

The following restricted funds were used for our Community programmes – Warwickshire County Council & Leamington Spa Town Council.

The following restricted funds were used for wraparound activities with children with the touring production of *Starchitects* – Saintbury Trust, Golsoncott Trust, W E Dunn Charitable Trust, 29th May 1961 Charitable Trust, & Edward & Dorothy Cadbury Trust.

The following restricted fund was used for a 5G project for Arts Companies – Coventry University.

The following restricted fund was used for the production of *Starchitects* - Birmingham Hippodrome

NOTES TO THE FINANCIAL STATEMENTS
year ended 31 March 2023

13 Funds (continued)

Unrestricted funds represent:

General - general unrestricted funds to be used at the discretion of the Trustees.

Designated Funds - for the creation of new work and artistic investment, vehicle replacement and inflationary pressure.

Funds – Prior year

	At 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2022 £
Restricted funds					
Capital Grants					
ACE Small Capital Grant	27,759	-	(27,759)	-	-
Income Grants/Commissions /Donations					
The Leche Trust	2500	-	(2,500)	-	-
Without Walls	500	-	(500)	-	-
Alan Edward Higgs	3,057	-	(3,057)	-	-
Without Walls	-	200	(200)	-	-
Saintbury Trust	-	2,000	-	-	2,000
Golsoncott Trust	-	1,000	-	-	1,000
W E Dunn Charitable Trust	-	500	-	-	500
MAC Birmingham	-	5,000	-	-	5,000
Creative Alliance	-	250	-	-	250
	33,816	8,950	(34,016)	-	8,750
Unrestricted funds					
General	182,343	1,323,902	(1,266,060)	5,000	245,185
Designated funds:					
Covid Fund	350,000	-	-	(350,000)	-
New work creation	-	-	-	200,000	200,000
Vehicle replacement	-	-	-	70,000	70,000
Risk mitigation/covid recovery	-	-	-	75,000	75,000
Total Unrestricted funds	532,343	1,323,902	(1,266,060)	-	590,185
Total funds	566,159	1,332,852	(1,300,076)	-	598,935

NOTES TO THE FINANCIAL STATEMENTS
year ended 31 March 2023

14 Analysis of net assets between funds

	Tangible fixed assets £	Net current assets £	Total £
Unrestricted funds	67,577	561,029	628,606
Restricted funds	-	-	-
	67,577	561,029	628,606

Analysis of net assets between funds – prior year

	Tangible fixed assets £	Net current assets £	Total £
Unrestricted funds	61,886	528,299	590,185
Restricted funds	-	8,750	8,750
	61,886	537,049	598,935

15 Financial commitments

As at 31 March 2023 the charitable company had financial commitments in respect of Houseworks Arts Limited of £125,900, comprising £120,000 annual fee and £5,900 Royalties and Choreography fee (2021/22: £120,000).

16 Capital commitments

As at 31 March 2023 the charitable company had capital commitments of £nil.

17 Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and Buildings		Other	
	2023 £	2022 £	2023 £	2022 £
Expiry date:				
Not later than one year	43,403	49,553	-	560
Later than one and not later than five years	76,317	119,720	-	-
than five years	119,720	169,273	-	-

NOTES TO THE FINANCIAL STATEMENTS
year ended 31 March 2023

18 Related party transactions

The Trustees have considered the disclosure requirements of Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102) and of Financial Reporting Standard 102 and considers that the transactions requiring disclosure are as follows:

Kevin Finnan MBE and Louise Richards FRSA, Artistic and Executive Directors, are employees of Houseworks Arts Limited that charged fees for management and direction services as well as choreography fees and recharged expenses to Motionhouse under a contract for supply of services as follows:

	2023 £	2022 £
Management and Artistic	120,000	105,000
Choreography fee	20,000	10,000
Royalties	2,100	2,100
	142,100	117,100

Note – Choreography fee is dependent on new productions being made.

19 Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income for the year	29,671	32,776
Interest receivable	(1,498)	(64)
Depreciation of tangible fixed assets	25,358	23,746
(Increase)/decrease in stock	(778)	(119)
Increase in debtors	(114,088)	(10,584)
Increase in creditors	(99,262)	71,285
Net cashflow from operating activities	(160,597)	117,040