

Written evidence submitted by A V Matrix

I'm writing to give you evidence regarding what I believe to be an incorrect judgement of our CRF grant application. We were refused a grant and I really can't fathom why.

A V Matrix summary

A V Matrix is based in Yorkshire and provides technical services for live events. This includes but is not limited to sound, lighting, video, staging and power. Our equipment finds its way onto a great many stages and performances country wide. Past events where you may have seen our equipment include but are not limited to Glastonbury, Isle of White Festival, Cream fields, Slam Dunk festival, various music tours from Pakistani music maestro Nusrat Fateh Ali Khan, Travis Scott, Moody Blues and Blondie etc. We also support a huge amount of Grass-roots events such as The Swaledale Festival, Harrogate International Festival as well as lots of Am-Dram productions locally and several theatre shows including professional pantos etc. We also have a number of corporate clients who we produce entertainment shows, the acts we've worked with include Dynamo, Diversity, Craig David, Alan Carr, Jimmy Carr, Michael McIntyre, Take That, Olly Murrs, Kylie and Little Mix etc

Our range of work is huge. We could be doing production for a superb folk music event one minute, the next we're doing a show in Brixton accedy with American rapper Travis Scott.

Since 2003 we have built a great reputation for technical expertise. We had pro covid over 20 full time employees we currently have 7 but should we survive we intend to re-employ ASAP. It should also be noted that we use a huge amount of freelancer's, some events can have 30+ and we have relationships with approx. 100.

Our spend on full time waged was in the region of £600k. Our freelance spend was almost £550k.

Our company reserves have dropped massively. Pre covid our company reserves were approx. £439,000. We've liquidated some assets and borrowed on CBILS. Our shareholder funds are not stored in cash the money is invested in our hire equipment; this is what we use to hire out to clients to produce our revenue.

ACE CRF application feedback

My colleagues and myself are devastated not to have been supported by ACE, putting our company in grave danger of collapse in the coming 3-4 months without intervention. Over the last few weeks we have seen an increased level of bookings but due to our cash position, we may find it incredibly hard to

service this work.

We have to date lost more than £3m of business since March 2020. We were expecting to have run out of money by now but we are continuing to struggle on for the time being. We've gained a small amount of additional support which we did not have earlier in the year when we applied for CRF round 2.

- Additional funding from Leeds City Council in April, totaling £19000
- The Furlough scheme extension has covered staff costs for longer, although we are going to have to bring back staff earlier before we start operating as we need to update training and certify equipment.
- At the end of March and beginning of this month we had a couple of small projects to work on which generated limited income

Pre Covid our company turned over approx. £3.4m per year. 2020/21 was going to be our best yet with expected revenues of £4m. After 17 years of successful operation, we are an important link in the supply chain and creative industries economy, in a relatively poorly served area of England (Yorkshire). Like many companies we have had to make drastic cuts and savings to try to make sure we stayed afloat. This included cuts to our warehouse space, reducing the vehicle fleet, liquidating older assets and I'm afraid some redundancies.

We are almost at the end of financial resources; we've borrowed all we can borrow on CBILS (£345,000) and I have put in everything I have personally to keep us going including borrowing £50,000. It is well understood that it has been impossible to predict how long this whole ordeal was going to continue, and the impact to live events could well end up lasting nearly 2 years. Encouraging as it is to have a date when restrictions are being lifted, events may well be restricted in size and number for some time to come.

I have asked ACE for some additional information regarding the decision not to award us a grant. Having reviewed our application against ACE comments and having researched other companies of a similar nature who were successful, I am putting forward these points.

- It was stated several times that we should have evidenced things. We set out the information we had as clearly and transparently as we could, and there is little more we could see we could have done to evidence what we had put forward. With respect the character count did not allow any further elaboration.
- The cashflow forecast drew criticism, we should have evidenced this apparently. Like it must have been for the majority of applicants, the Cash Flow Forecast was simply a forecast! Back in January we didn't have much in the diary in terms of confirmed events and productions; it was impossible to evidence this. We went on the side of caution and made sure we were realistic. The accounts for the previous year were included and it would have been clear that when we were running at full speed pre Covid our annual revenue was £3.439m. If you average this out over the year it equates to £286k per month, so I think it's fair to say we were sensibly cautious when looking forwards toward the end of the year.

Also, when writing the application in January, there were no definite dates for events to restart. As it's now April we do have some events penciled in the diary. They exemplify some of the diversity and range of our work within the cultural sector, within a wide range of performance genre, including big scale popular music, grass-roots music festivals, Asian and classical music, theatre shows, spoken word and comedy. These include and are not limited to the following, with the diary looking better the further into the year we go.

- 22nd May - DCMS test event at the O2 London, Squeeze in concert, supplying video screens and rigging equipment to Zig Zag Lighting (*Zig Zag were awarded funding*)
 - 13th to 27th June – Hair in concert at the Palladium London and the Mayflower in Southampton, providing lighting and video equipment
 - 25th-26th June - Access the Festival – a new dance music festival in the Midlands, bringing the latest cutting edge trends to the Warwickshire area, supplying full production of sound, lighting and visual effects
 - 2nd to 3rd July - Kubix Festival - Houghton le Spring, Sunderland, supplying video equipment for IMAG (image magnification, i.e. the large screens at the sides of the stage) (Houghton Le Spring an area of social-economic deprivation)
 - 13th to 16th July - Great Yorkshire Show – Harrogate, providing all sound for the site and specific presentation stages
 - 30th July to 1st August - Deershed Festival : Equipment hire to HPSS (*both organisations were awarded funding*)
 - 27th to 29th August - Wannasee Festival Penrith - supplying video equipment for IMAG (image magnification, i.e. the large screens at the sides of the stage)
 - 5th August - Tickled Pink Festival – providing all sound, lighting, video, staging and power
 - 4th to 5th September - Slam Dunk Festival - Lighting hire to Zig Zag Lighting (*both organisations were awarded funding*)
- Under the Cultural significance response, ACE stated *‘The applicant does not appear to work in a specific artistic way and does not cite examples to address the prompts regarding innovation or excellence.’* We are **not** artists, but we enable art in everything we do. Many other companies in the same position as us, are suppliers to the live arts industry were granted funds, eg. providers of power generating units, PA companies, equipment distribution companies. It is understood that they have all had a terrible year like us, and do a good job, but it does seem anomalous that they were awarded a grant that we were deemed ineligible for on the basis of lack of artistic merit and innovation.
 - One particular company who were awarded a significant Grant was Buffalo Power. They provide generators and indeed are an important part of the supply chain to live outdoor events. I’m wondering what they do artistically compared to us!
 - We know we *were* asking for a relatively high funding amount at £300,000. Approx £120k was to cover running costs from April to June and approx. £180k was for re-floatation of reserves. I wonder if the increased the level of competition disadvantaged us. We do note that Pirate Crew, a small company with few overheads received nearly £500k, and while we are not at all questioning their award, feel that for the size and range of our company activities, £300k was a practical ask. We would appreciate knowing if this was a factor however. There are a great many companies about a 3rd of our size that were awarded £200k.
 - I would also like to point out that many companies awarded grants were not about to collapse and indeed many of them hadn’t even sought help from government backed CBILS etc. This was a requirement from DCMS. We feel incredibly down about other companies in our industry getting huge grants without having tried to get a CBILS etc. This puts us on the backfoot when going forwards trying to do business alongside our competitors who have effectively been handed money.
 - Somehow our application was misunderstood in terms of the scope of our services. In the response from ACE it is stated that we have done large scale music tours e.g. mentioning Olly Murs. We have worked with him several times, but we do not produce large scale music tours,

our equipment is hired to production companies who use it on the tours. We do however produce well-known acts at one-off UK based events providing high level of production values.

- Our link with local education facilities, in an area of low employment and creative opportunity, seems to have been massively overlooked. The route we provide to employment has been one of the most successful in our area. We have given 28 students work experience in live events and we gave employment to 23 students as fulltime technicians across various disciplines including sound engineers, lighting technicians and creative lighting designers, stage managers and video technicians. Some of the college and university graduates we gave experience and employment to are now working at significant production scale including West End, touring theatre productions and world pop music tours.

We know that this was a competitive fund with no guarantees. However, we are questioning the validity of the comments in relation to our application, and in relation to the awards to other companies providing very similar services, and in many cases a much more limited one in terms of range and reach.

We would very much appreciate any further information you can give us that could help us understand the decision in the light of the points above.

April 2021