

Company number: 00556251  
Charity Number: 233801

# Pioneer Theatres Limited

## Trading as “Theatre Royal Stratford East”

Report and financial statements  
For the year ended 31 March 2020

# Pioneer Theatres Limited (Theatre Royal Stratford East)

## Contents

### For the year ended 31 March 2020

---

Reference and administrative information .....	1
Chair's statement .....	2
Trustees' annual report .....	3
Independent auditor's report .....	14
Consolidated statement of financial activities (incorporating an income and expenditure account) .....	18
Balance sheets .....	19
Consolidated statement of cash flows .....	20
Notes to the financial statements .....	21

## Pioneer Theatres Limited (Theatre Royal Stratford East)

### Reference and administrative information

For the year ended 31 March 2020

---

<b>Company number</b>	00556251 – incorporated in the United Kingdom
<b>Charity number</b>	233801 – registered in England and Wales
<b>Registered office and Operational address</b>	Gerry Raffles Square Stratford London E15 1BN
<b>Trading name</b>	Theatre Royal Stratford East
<b>Trustees</b>	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:  The Rt. Hon. Dame Margaret Hodge      Chair Mina Barber (from 26 September 2019) Andrew Cowan Cllr Joshua Garfield Dr Elizabeth Glyn (from 26 March 2020) Simon Haynes (from 26 September 2019) Christopher Hird Baroness Denise Kingsmill Deborah Mattinson Martin Pilgrim Owen Pringle Bryan Raven (from 10 July 2019) Peter Wilson
<b>Artistic Director</b>	Nadia Fall
<b>Executive Director</b>	Eleanor Lang
<b>Bankers</b>	Natwest Bank plc, 1 Stratford Broadway London E15 4DX
<b>Solicitors</b>	Harbottle & Lewis 14 Hanover Square London W1R 0BE
<b>Auditor</b>	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108 – 114 Golden Lane LONDON EC1Y 0TL

**Chair's Statement**

**For the year ended 31 March 2020**

---

**Chair's Statement**

COVID-19 has had a devastating impact on the UK, and on the theatre industry and since March 2020 when we closed the theatre the pandemic has forced Theatre Royal Stratford East to rethink its programme and its business model both for the short and longer term. However, 2019/20 was a very successful year for the theatre.

The start of the financial year brought us the culmination of Nadia Fall's inaugural season, with a critically acclaimed production of KING HEDLEY II and an ambitious production of NOYE'S FLUDDE with over 200 children involved. NOYE'S FLUDDE has been nominated for two Olivier Awards, with a further award nomination for our production of EQUUS.

During 2019/2020 we launched a reinvigorated Learning & Participation department and a new strategy under our new Head of Learning & Participation. We continue to expand and enhance our work across Newham and East London.

On behalf of the Board I would like to thank both Nadia Fall, Artistic Director and Chief Executive and Eleanor Lang our Executive Director. Their vision along with their hard work and the dedication of the whole team has given us another year of excellence. We are fortunate to have a committed Board whom I also thank.

The trustees are also particularly grateful to Arts Council England and the London Borough of Newham for their continued support, as well as to all our supporters, without whom we could not continue to produce high quality work on our stage or in our community.

Rt Hon Dame Margaret Hodge MP  
Chair

**Trustees' annual report**

**For the year ended 31 March 2020**

---

The trustees present their report and the audited financial statements for the year ended 31 March 2020.

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

**Principal activities**

The objects of the charity as set out in the Articles of Association are:

*to promote, maintain, improve, and advance education, particularly by the production of educational plays and the encouragement of the Arts, including the arts of drama, mime, dance, singing and music, and to formulate, prepare and establish schemes therefore provided that all objects of the Company shall be of a charitable nature.*

**Structure**

Pioneer Theatres Limited (trading as Theatre Royal Stratford East) is constituted as a company limited by guarantee and is governed by its Memorandum and Articles of Association as amended 18th November 2015. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £10 per member of the charitable company. The total number of such guarantees at 31 March 2020 was 13 (2019: 14). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Pioneer Theatres Limited has two wholly owned subsidiaries. The results of Stratford East Trading Limited are consolidated into these financial statements. Stratford East Productions is a dormant company.

**Our aims**

Theatre Royal Stratford East (TRSE) has five key aims:

- to contribute to the development of a vibrant contemporary theatre industry that reflects the broad cultural diversity of urban British life;
- to place excellence, accessibility, diversity and education at the centre of the artistic offer;
- to celebrate the value of arts and creativity within the community with a programme of UK and international artists for the performance of drama, dance, comedy and music;
- to contribute towards social cohesion and the development of a more equal and tolerant society; and
- to play a role in the social and economic development of East London, building on its role as a cultural flagship with a national and international reputation.

**Objectives**

The TRSE 2018-22 business plan outlines the following key objectives:

- Produce work of the highest artistic quality that is:
  - Popular: Theatre of the highest quality that seeks to move and entertain everyone

**Trustees' annual report**

**For the year ended 31 March 2020**

---

- Political: Work that provokes discourse about the world in which we live and our place within it
- Inclusive: Stories that are representative of our East London home that also speak to a wider London audience and that provide an expansive and imaginative portrayal of our diverse communities
- Build our audiences and increase re-attendance
- Ensure diversity and inclusion is central to everything we do
- Invest in our Grade 2 listed building
- Be environmentally sustainable
- Nurture and develop our staff
- Create and champion opportunities for a diverse range of artists
- Develop an emerging generation of talent
- Present a year-round participation programme for people of all ages
- Play a leading role within Newham and the East London area
- Raise the profile of TRSE
- Become financially resilient

**ACTIVITY IN 2019-20**

**Public Benefit**

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Over the course of the year TRSE has fulfilled its charitable objectives through engaging the widest possible audiences and producing a broad programme of performance and participation. In 2019-20:

- 73,553 individuals saw TRSE shows
- 28,843 tickets were at a discount rate
- 28 different productions were staged
- 1 new commission was produced
- 268 performances took place
- Screened pantomime into 8 care homes and hospices
- 28 performances were made more accessible through captioning, audio description, BSL interpretation or by being designated as relaxed
- 288 Learning and Participation sessions took place
- 4,331 young people attended Learning and Participation sessions
- 3,570 children attended our pantomime for free through the Every Child a Theatregoer scheme
- 192 young people took part in Noyes's Fludde
- Transferred one production to the West End
- Attracted the best creative teams and artists to create work of the highest quality on our main stage
- Had £10 tickets available for all main house shows
- Acted as a cultural leader and collaborated with other Arts organisations to make the maximum impact within the cultural sector
- Was nominated for 3 Olivier Awards, won three Off West End Awards, and one UK Theatre Award.

**Artistic Programme**

Nadia Fall was appointed Artistic Director in late 2017, and the first part of 2019-20 saw the final shows in her inaugural season. The main programme on the stage in 2019-20 included:

**NOUGHTS & CROSSES** presented by Pilot Theatre

A Romeo and Juliet story by acclaimed writer Malorie Blackman, adapted by Sabrina Mahfouz. This is a captivating drama of love, revolution and reflects what it means to grow up in a divided world.

★★★★ 'A fine new adaptation.' The Observer

**KING HEDLEY II** by August Wilson

Featuring Lenny Henry as smooth-talking hustler Elmore, August Wilson's touching and angry King Hedley II is a quest for redemption for one man and a whole community.

★★★★ 'As electric as anything in the theatre of the last 100 years.' The Observer

**NOYE'S FLUDDE** by Benjamin Britten in a co-production with English National Opera

A joyous production of Britten's masterpiece combining the talents of professional singers, actors and musicians with 192 school children and a local community choir.

★★★★★ 'Funny, heart-warming and splendidly staged' Daily Mail

**EQUUS AT TRAFALGAR STUDIOS**

A West End transfer for our co-production with English Touring Theatre of Peter Shaffer's Equus.

'You will not see a better production of this masterpiece' The Observer

**ROUNDABOUT** presented with Paines Plough

Paines Plough's acclaimed pop-up theatre ROUNDABOUT was at Stratford East for three weeks. This included three Paines Plough shows straight from Edinburgh: ON THE OTHER HAND, WE'RE HAPPY, DAUGHTERHOOD, DEXTER AND WINTER'S DETECTIVE AGENCY

★★★★ 'An uplifting and positively joyful play' The Scotsman on ON THE OTHER HAND, WE'RE HAPPY

**OUR LADY OF KIBEHO** in a co-production with Royal & Derngate, Northampton

A vibrantly theatrical meditation on faith, doubt and miracles by Katori Hall. Inspired by extraordinary events in Rwanda that captured the world's attention.

★★★★ 'Atmospheric and fascinating' The Times

**BALLET BLACK: TRIPLE BILL**

Ballet Black returned to Stratford East with their acclaimed Triple Bill

'Wickedly intelligent' The Guardian

**DICK WHITTINGTON**

Stratford East's much-loved mix of original show-stopping songs, bonkers humour, stunning sets (and perhaps a bit of snow), all wrapped up in a magical festive treat for all ages.

★★★★ 'A proper London panto' Evening Standard

**THE GIFT** presented by Eclipse Theatre and Belgrade Theatre Coventry

London premiere of Janice Okoh's subversive comedy of cultural appropriation, imperialism, cross-racial adoption... and tea

★★★★ 'Excruciatingly funny... a bold exploration of black Britishness' Metro

**Trustees' annual report**

**For the year ended 31 March 2020**

---

**I THINK WE ARE ALONE** presented by Frantic Assembly

A bitter sweet and funny take on our ache to connect with those voices we need to hear again, those arms we need to feel around us and those faces we need to see again from Frantic Assembly in their 25<sup>th</sup> Anniversary Year.

★★★★★ 'Effectively manages to deliver constant comedic, relatable, true dialogue, alongside painful storylines, with mind-blowing movement and physical choreography.' A Younger Theatre

Alongside the main programme of work, TRSE presented a number of one or two night shows including:

An Evening with Marvin Gaye

Stratford East Singers Live!

Spoken Word Evening – King Hedley II Special

Monologue Slam - July

Shoot From The Hip: Absolute Carnage

The Canary and the Crow

Surrounded! Comedy in 360 Degrees

Monologue Slam – October

Queerstory: The Musical

Rumour Mill

Chineke! Chamber Ensemble

Eric Walton: Mentalist

Have I got a trick for you

Queer Lates x Queerstory

Monologue Slam - December

**Learning & Participation**

2019-20 was a year of change for our Learning & Participation work as we moved from working only with young people, to a wider programme of participatory work.

During the first part of the year we recruited a new Head of Learning & Participation, while continuing with NT Connections in April 2019, and a Young People's Festival around Noughts and Crosses. The team also worked on our epic production of NOYE'S FLUDDE, engaging with over 200 local children and young people, as well as with a community choir for a two-week run in July 2020.

In the second half of the year, once our Head of Learning & Participation had joined, we completed our new strategy, expanding our programme from schools and young people, to including community groups and adults as well. This will be rolled out over 2020-21, with some pilot working that took place between January – March 2020.

Work with schools has continued, bringing young people into the theatre, either to watch or to perform. We continue to partner with Newham Council on Every Child a Theatregoer. We also worked with 7 schools on National Connections 2020, although the final performance at Stratford East never took place, due to COVID closures. We have also started a programme of work around training and careers working with a number of Newham schools.

Our weekly youth companies sit at the heart of our work. In 2019-20 we had two youth companies in operation, as well as a Monologue company and our Acting Course.



**Trustees' annual report**

**For the year ended 31 March 2020**

---

We continue to deliver high-quality projects in partnership with local and London organisations including the National Theatre, West Ham Football Foundation, RADA, Guildhall and Young & Talented.

We started a masterclass programme, with two taking place before lockdown – one linked to THE GIFT with Janice Okoh and one to I THINK WE ARE ALONE with Frantic Assembly.

**Trading Subsidiary**

Meza East, who operated our Bar and Kitchen gave notice in October 2019. We decided to bring running the bar back in house, outsourcing the kitchen to a local company offering Caribbean food – Island Vibez Kitchen. We reopened the bar in late January and had 7 weeks trading before lockdown. The bar remains closed.

**Diversity**

Diversity is at the heart of TRSE's way of working and our business plan and is championed by the Board and the senior team.

This year saw a wider range of BAME artists, both in creative teams and on stage, as well as in our programming which reflects the diverse communities in which we are located. 39% of our creative teams and freelancers identified as BAME. We also continue to build partnerships with BAME companies, like Ballet Black and Triforce.

As part of our talent development objectives, this year we worked with RADA and Guildhall to provide an Acting Course which offered 20 young actors coaching and training to prepare them for drama school auditions and an industry showcase at Guildhall. This was targeted at local, hard to reach young people and 75% of participants were BAME.

We continue to be a committed partner in the Ramps on the Moon consortium and are committed to providing accessible performances. We continue with our captioned, audio-described, signed and relaxed performances. We continue to resource an Agent for Change role to embed meaningful change across TRSE.

Our audience development work aims to ensure that ticket prices are not a barrier to theatre attendance and we focus on reaching a local audience. We continue to work to diversify our workforce, this year broadening where we advertise roles and working with Groundforce to offer work opportunities.

**Building**

We installed the first two electric winches as the first step of phasing out our winch system. Plans to install more in Summer 2020 were put on hold due to COVID-19.

**Partnerships**

Partnerships remain crucial to our work, and this year saw two successful co-productions – one with ENO and one with Royal & Derngate, as well as continuing our partnership with ETT in the West End transfer of EQUUS. Alongside that we continue to partner on a number of other initiatives, including with Triforce, Young & Talented, Guildhall and RADA. We continue conversations with a number of other theatres about possible future co-productions, and with partners in the new East Bank and the wider local area. We

**Trustees' annual report**

**For the year ended 31 March 2020**

---

remain committed members of the London Theatre Consortium, Ramps on the Moon, One Newham and the Local Cultural Education Partnership.

**Fundraising**

During the year we raised a total of £564,285 from Trusts and Foundations, Corporates and individuals, a reduction of £157,297 from the amount raised in the previous year. Income from individual and corporate donors was slightly down, at £336,011 compared with £363,081 in 2018/19.

During the year we spent £163,952 on fundraising costs, or 28% of the funds raised. This compares with £141,920 (20% of funds raised) in the previous year.

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

There is a dedicated permanent fundraising team at TRSE, led by a Director of Development. During the year we employed professional fundraising assistance from a freelancer fundraising professional who undertook fundraising activities in line with our approach above, under the supervision of the Development Director.

The newly formed Development Committee met for the first time in May 2019. The committee is made up of volunteers and led by Board member Baroness Denise Kingsmill. The committee has a remit to advise and support on all fundraising activities. There are no commercial participators used.

TRSE closely follows the Code of Fundraising Practice and stays up to date with all compliance and regulation around fundraising.

TRSE is careful to protect the data of our supporters and is fully GDPR compliant. TRSE has not received any complaints about our fundraising activities. We do not approach members of the public to ask for charitable support.

**FUTURE PLANS**

On 16 March 2020, on the advice of the Government, we closed our theatre due to COVID-19. Productions scheduled through to the end of the season in July 2020 were cancelled soon after (WELCOME TO IRAN, the Ramps on the Moon tour of OLIVER and SUCKER PUNCH). In June 2020 we decided to postpone our opening production of the autumn season, and then our pantomime.

We have moved our Learning & Participation work online, as well as commissioning a digital project, No Masks, which explored the lives of real Key Workers in East London. Some of their stories have been adapted by Nadia Fall and Rebecca Lenkiewicz into an hour long Sky Arts drama, to be aired in September 2020. We also commissioned a series of short response pieces to the murder of George Floyd and the Black Lives Matter movement. 14 writers developed short pieces that were then made into an audio piece. We are adapting 4 pieces to form a live show, to be performed outdoors in September 2020 as part of the Greenwich and Docklands International Festival.

We are also planning some small scale, socially distanced work, back in the theatre, and our Learning & Participation work will start back in person from mid-October.

## FINANCIAL REVIEW

### Review of financial performance

TRSE continues to be in receipt of annual funding from Arts Council England of £1,105,506.

Overall, income for the year was £3,649,258, down from £3,788,900 in 2018/9. Income from Arts Council England fell by £ 341,870 as we were in receipt of a one-off grant for that amount in 2018/9. On the upside, with a number of well received productions, income from productions increased from £979,278 in 2018/19 to £1,384,758 in 2019/20. Income from the trading subsidiary was reduced to £99,262 compared to £138,106 in 2018/9 as a result of outsourcing the bar for a longer period in 2019/20 than in the previous year. Theatre Tax Relief, at £143,304, was similar to the £142,653 recorded in 2018/9.

Total resources expended in the year were £3,569,530 (2018/9: £3,345,427). The growth reflected the increase in the number of in-house productions and co-productions.

Overall, net income for the year to 31 March 2020 was £79,727 (2018/9 £443,473) resulting in funds carried forward increasing to £1,244,111 (2018/9 £1,164,384) at the end of the year.

### Principal funding sources

TRSE was successful in its re-application to the Arts Council of England for National Portfolio Funding in 2017. The new agreement runs until April 2022. It will receive £1,105,506 per year for that time.

TRSE receives an annual grant from the London Borough of Newham of £256,000 per year (2018/9 £256,000).

### Reserves

The Trustees believe the company should hold in reserves a sufficient cushion of funds to enable it to continue to exist through a period of reduced income and, should it be necessary, to wind up in an orderly fashion. The trustees consider the desirable level of reserves for these purposes to be £500,000, approximately equal to three months running and production costs. The aim is to build up the reserve by at least £25,000 a year to that amount, as well as establishing a building reserve. This was achieved in 2019/20, including the creation of a Building Reserve of £100,000, and the free reserves (unrestricted reserves less tangible fixed assets – see note 17a) at the year end were £672,070, which meets the policy.

As at 31 March 2020 the group restricted reserves amounted to £15,000 (2018/9 £13,750). The reserves balance relates to grants made during the year for projects beyond March 2020

As at 31 March 2020 the group unrestricted reserves amounted to £1,229,111 (2018/9 £1,150,634). Included in this amount for 31 March 2020 are designated funds of £1,157,040, as follows:

Fixed Asset Fund	£ 557,040
Building Fund	£ 100,000
Operational Fund	£ 500,000
<b>Designated Funds</b>	<b>£ 1,157,040</b>
General Fund	£ 72,071
<b>TOTAL UNRESTRICTED FUNDS</b>	<b>£ 1,229,111</b>

## **Going Concern**

The Trustees are confident of the charity's abilities to continue as a going concern in the context of statutory accounts (for at least 12 months from the approval of these financial statements) due to the historical evidence of support from the local authority, Arts Council England and other donors, and believe that this support is likely to continue for the foreseeable future. TRSE is adapting its models in light of the pandemic. Arts Council England regular funding has been extended to March 2023, and additional one-off funding of £495k has also been awarded. In addition, the company is committed to building unrestricted reserves which are to be available to be used in the event of a period of reduced income. There are no material uncertainties impacting on the going concern assumption.

## **Principal Risks and Uncertainties**

The major risks can be broken down into these categories.

**COVID 19:** the ongoing impact and uncertainty from the pandemic is the highest risk to the organisation. While social distancing remains in place, organisational activity is limited, and currently there is no date for an end to social distancing. The organisation has implemented many changes to protect against the worst impacts of COVID, but is continually monitoring the situation in response to COVID.

**Box office:** Our box office income has almost entirely ceased due to the pandemic, although as there are no production costs, short term this is not an issue. However, we are anticipating a slow return to growth in box offices and forecast for the next few years are likely to be lower than normal. There is also risk around box office if cancellations happened again due to another lockdown or cast/ crew illness.

**Fundraising:** We are enormously grateful to many of our donors who have supported us through our closure and continue to sort us. However, the longer the pandemic goes on, the more challenging this becomes. We had sizeable growth targets in our original plans, but we also anticipate that will be slower to build, particularly in the corporate sector, after the pandemic.

**Core funding:** Arts Council England have extended their funding grant from ending March 2022 to ending March 2023, but the amount of money we receive next year will be dependent on the Comprehensive Spending Review in November 2020. London Borough of Newham faces a difficult financial operating environment, exacerbated by the pandemic and this remains a key area of exposure. TRSE recognises the need to continue to diversify its income streams.

## **GOVERNANCE AND MANAGEMENT**

### **Appointment of trustees**

New trustees are elected to the Board by existing members. Annually, a third of the Board must retire and trustees may be eligible for re-election up to a maximum of nine years' service.

The Board regularly reviews the skills mix of the trustees and considers whether it adequately represents the community which it serves. Various methods are then adopted to identify and recruit potential trustees, if required.

**Trustee induction and training**

All new trustees receive the support of staff and existing members of the Board during an induction period, as well as receiving key organisational documents.

## **Organisation and key management**

The Board is responsible for the strategic management of the charitable company and the setting of policy. It has ultimate responsibility and control of the charitable company which it exercises through quarterly meetings of the Board and the Finance Committee. The key management is considered to be the Artistic Director and the Executive Director. The Board sets the pay and remuneration of the Artistic Director and the Executive Director, based on industry peers.

## **Related Parties**

The charitable company has a wholly owned subsidiary, Stratford East (Trading) Limited, which provides the bar and catering facilities at TRSE. It has a dormant subsidiary, Stratford East Productions Limited, which is to be used in the case of commercial productions. It also has a related charity, Theatre Workshop Trust, which owns the freehold of the theatre, and has one Trustee in common with the charitable company.

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also directors of Pioneer Theatres Limited for the purposes of company law) are responsible for preparing the Trustee's 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 group and of the incoming resources and the application of resources, including the income and expenditure of the charitable company and group for the year. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the method 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.

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 enables 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar 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.

**Pioneer Theatres Limited (Theatre Royal Stratford East)**

**Trustees' annual report**

**For the year ended 31 March 2020**

---

**Auditor**

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 27 October 2020 and signed on their behalf by

Rt. Hon. Dame Margaret Hodge MP

**Chair**

## **Independent auditor's report**

### **To the members of**

#### **Pioneer Theatres Limited (Theatre Royal Stratford East)**

---

## **Opinion**

We have audited the financial statements of Pioneer Theatres Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2020 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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



## **Independent auditor's report**

**To the members of**

**Pioneer Theatres Limited (Theatre Royal Stratford East)**

---

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report other than the group financial statements and our auditor's report thereon. Our opinion on the group 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.

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

### **Matters on which we are required to report by exception**

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

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

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

## **Independent auditor's report**

### **To the members of**

#### **Pioneer Theatres Limited (Theatre Royal Stratford East)**

---

- 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 trustees' annual report and from the requirement to prepare a strategic report.

## **Responsibilities of trustees**

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

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

## **Auditor's responsibilities for the audit of the financial statements**

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing

## Independent auditor's report

### To the members of

#### Pioneer Theatres Limited (Theatre Royal Stratford East)

---

an opinion on the effectiveness of the group's or the parent charitable company's internal control

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## 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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Judith Miller (Senior statutory auditor)

DATE

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2020

	Notes	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
<b>Income from:</b>							
Donations and legacies	2	1,753,517	172,274	<b>1,925,791</b>	1,725,587	699,371	2,424,958
Charitable activities	3						
Theatre		1,474,165	–	<b>1,474,165</b>	1,074,405	–	1,074,405
Education and workshops		4,312	–	<b>4,312</b>	7,287	–	7,287
Other trading activities	4	243,066	–	<b>243,066</b>	281,113	–	281,113
Investment income		1,923	–	<b>1,923</b>	1,137	–	1,137
<b>Total income</b>		<b>3,476,983</b>	<b>172,274</b>	<b>3,649,258</b>	<b>3,089,529</b>	<b>699,371</b>	<b>3,788,900</b>
<b>Expenditure on:</b>							
Raising funds	5	284,634	–	<b>284,634</b>	310,652	–	310,652
Charitable activities							
Theatre		3,075,475	71,024	<b>3,146,499</b>	2,038,895	835,968	2,874,863
Education and workshops		138,397	–	<b>138,397</b>	159,912	–	159,912
<b>Total expenditure</b>		<b>3,498,506</b>	<b>71,024</b>	<b>3,569,530</b>	<b>2,509,459</b>	<b>835,968</b>	<b>3,345,427</b>
<b>Net income / (expenditure) for the year</b>	6	(21,523)	101,250	<b>79,727</b>	580,070	(136,597)	443,473
Transfers between funds		100,000	(100,000)	–	61,750	(61,750)	–
<b>Net movement in funds</b>		<b>78,477</b>	<b>1,250</b>	<b>79,727</b>	<b>641,820</b>	<b>(198,347)</b>	<b>443,473</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		1,150,634	13,750	<b>1,164,384</b>	508,814	212,097	720,911
<b>Total funds carried forward</b>		<b>1,229,110</b>	<b>15,001</b>	<b>1,244,111</b>	<b>1,150,634</b>	<b>13,750</b>	<b>1,164,384</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements.

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Balance sheets

Company no. 00556251

As at 31 March 2020

	Notes	Group 2020 £	2019 £	Charity 2020 £	2019 £
<b>Fixed assets:</b>					
Tangible assets	10	557,040	494,358	553,224	484,336
Investments	11	–	–	2	2
		<b>557,040</b>	<b>494,358</b>	<b>553,226</b>	<b>484,338</b>
<b>Current assets:</b>					
Stock of goods for resale		4,028	–	–	–
Debtors	13	457,694	483,304	531,640	508,934
Cash at bank and in hand		1,016,396	1,015,419	963,185	964,084
		<b>1,478,117</b>	<b>1,498,723</b>	<b>1,494,825</b>	<b>1,473,018</b>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	14	(791,047)	(828,697)	(757,365)	(727,601)
<b>Net current assets</b>		<b>687,071</b>	<b>670,026</b>	<b>737,460</b>	<b>745,417</b>
<b>Total assets less current liabilities</b>		<b>1,244,111</b>	<b>1,164,384</b>	<b>1,290,686</b>	<b>1,229,755</b>
<b>Net assets</b>		<b>1,244,111</b>	<b>1,164,384</b>	<b>1,290,686</b>	<b>1,229,755</b>
<b>Funds:</b>					
Restricted funds	16a	15,000	13,750	15,000	13,750
Unrestricted funds:					
Designated funds		1,157,040	–	1,157,040	–
Charitable funds		118,646	1,216,005	118,646	1,216,005
Non charitable trading (deficit)		(46,575)	(65,371)	–	–
Total unrestricted funds		<b>1,229,111</b>	<b>1,150,634</b>	<b>1,275,686</b>	<b>1,216,005</b>
<b>Total funds</b>		<b>1,244,111</b>	<b>1,164,384</b>	<b>1,290,686</b>	<b>1,229,755</b>

Approved by the trustees on 27 October 2020 and signed on their behalf by

Dame Margaret Hodge  
Chair

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Consolidated statement of cash flows

For the year ended 31 March 2020

	Note	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Net income for the reporting period (as per the statement of financial activities)		79,727		443,473	
Depreciation charges		56,136		44,913	
(Increase)/decrease in stocks		(4,028)		8,572	
(Increase)/decrease in debtors		25,610		(243,654)	
Increase/(decrease) in creditors		(37,650)		215,554	
<b>Net cash provided by operating activities</b>		<b>119,795</b>		<b>468,858</b>	
<b>Cash flows from investing activities:</b>					
Purchase of fixed assets		(118,818)		(212,804)	
<b>Net cash (used in) investing activities</b>		<b>(118,818)</b>		<b>(212,804)</b>	
<b>Change in cash and cash equivalents in the year</b>		<b>977</b>		<b>256,054</b>	
Cash and cash equivalents at the beginning of the year		1,015,419		759,365	
<b>Cash and cash equivalents at the end of the year</b>	a	<b>1,016,396</b>		<b>1,015,419</b>	
<b>Analysis of cash and cash equivalents and of net debt</b>					
	At 1 April 2019 £	Cash flows £	Other non- cash changes £	At 31 March 2020 £	
Cash at bank and in hand	1,015,419	977		1,016,396	
<b>a Total cash and cash equivalents</b>	<b>1,015,419</b>	<b>977</b>		<b>1,016,396</b>	
<b>Total</b>	<b>1,015,419</b>	<b>977</b>	<b>-</b>	<b>1,016,396</b>	

Notes to the financial statements

For the year ended 31 March 2020

---

**1 Accounting policies**

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

**a) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

**b) Public benefit entity**

The charity meets the definition of a public benefit entity under FRS 102.

**c) Statutory information**

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East" is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address and principal place of business is Theatre Royal Stratford East, Gerry Raffles Square, Stratford, London, E15 1BN.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

**d) Consolidation**

The Statement of Financial Activities (SoFA) and Balance Sheet consolidate the financial statements of the charitable company and its subsidiary, Stratford East (Trading) Limited. The results of the subsidiary are consolidated on a line by line basis in accordance with FRS 102 – section 9 and the Charities SORP (FRS 102) – section 24.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Stratford East (Trading) Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet.

Details of Stratford East (Trading) Limited are given in note 12 of the financial statements.

A separate statement of financial activities for the Charitable Company has not been presented because the Charitable Company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

**e) Going concern**

Detailed financial projections have been prepared for the period of 12 months from the date of approval of these financial statements which indicate that the charitable company and group will have sufficient financial resources to continue to be able to meet its liabilities as they fall due. The trustees have carefully considered these financial projections, level of funding and other matters relevant to TRSE and believe that it is appropriate for the financial statements to be prepared on a going concern basis.

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

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

**f) Incoming resources**

Incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

Income from theatre admission fees is included in incoming resources in the period in which the relevant performance takes place. Income related to productions or lettings in a subsequent period is treated as deferred income.

Income from commercial activities is included in the period in which the group is entitled to receipt.

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

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

Notes to the financial statements

For the year ended 31 March 2020

---

**1 Accounting policies (continued)**

**f) Incoming resources (continued)**

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

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

**g) Interest receivable**

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

**h) Resources expended**

Expenditure is accounted for on an accruals basis.

Costs of generating funds are those costs incurred in attracting voluntary income to support the activity of the theatre, and costs incurred in commercial trading activities to raise funds.

Charitable activity costs include all direct expenditure associated with the staging of productions and educational programmes together with support costs allocated to those activities.

Support costs are the costs of central and administrative functions, which are allocated to activity cost categories on the basis of time spent by staff on those activities.

Governance costs are those costs associated with the governance arrangement of the charitable company including costs associated with strategic management and constitutional and statutory requirements.

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

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose, including costs incurred by the trading subsidiary.
- Expenditure on charitable activities includes the costs of running the theatre and its productions, and other educational activities undertaken to further the purposes of the charity and their associated support costs

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

**i) Cost of new productions**

The cost of materials, creative team fees and other related set up costs of a new production are carried forward and written off when the production is first performed to a fee paying audience. Ongoing labour and related production costs which occur throughout the life of the production are expensed as incurred. Where production set up costs have been incurred prior to the year end, but the production has not yet opened to the fee paying public, the set up costs are carried forward at the balance sheet date as deferred production costs until such time as the production opens.

**j) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on the direct costs per activity as a proportion of total direct costs, of the amount attributable to each activity

- |                         |     |
|-------------------------|-----|
| ● Raising funds         | 6%  |
| ● Theatre costs         | 90% |
| ● Education & Workshops | 4%  |

**k) Taxation**

The charitable company is considered to pass the tests set out in Paragraph I Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charitable company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**l) Fixed asset investments**

The Statement of Recommended Practice requires investments to be stated at market value. The investment of the charitable company consists of the investment in the subsidiary, an unquoted company. The trustees consider it appropriate to include this investment at cost. See note 12 for more details.

**Investments in subsidiaries**

Investments in subsidiaries are at cost.



Notes to the financial statements

For the year ended 31 March 2020

---

**1 Accounting policies (continued)**

**m) Tangible fixed assets**

Individual fixed assets consisting of more than £250 are capitalised at cost.

Tangible fixed assets are depreciated at rates calculated to write off each asset over its anticipated useful life. The rates used are:

• Computer equipment	4 years straight line basis
• Other	4 years straight line basis
• Auditorium	20 years straight line basis
• Production equipment	8 years straight line basis

Assets in the course of construction are not depreciated until they are brought into use.

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

**n) Stock**

Stock comprises catering and bar consumables for resale and is stated at the lower of cost and net realisable value.

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

**o) Debtors**

Debtors include amounts owed to the charity for the provision of goods and services or amounts the charity has paid in advance for the goods or services it will receive. Debtors are measured at their recoverable amount.

Other debtors and prepayments are recognised at the settlement amount due.

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

**p) Cash at bank and in hand**

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

**q) Creditors**

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

**r) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**s) Fund accounting**

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

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

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

**t) Pension costs**

The theatre makes contributions to a defined contribution pension scheme, on behalf of eligible employees, at a rate determined by the trustees.

**u) Operating leases**

Rental charges are charged against income on a straight line basis over the term of the lease.

Notes to the financial statements

For the year ended 31 March 2020

2 Income from donations and legacies

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Arts Council of England						
– Revenue Grant	1,105,506	–	1,105,506	1,105,506	–	1,105,506
– Transition Fund	–	–	–	–	341,870	341,870
London Borough of Newham						
– Revenue grant	256,000	–	256,000	256,000	–	256,000
– Newham Giving Fund	–	–	–	–	50,000	50,000
– Black History Month	–	7,000	7,000	–	–	–
Foyle Foundation	–	–	–	–	100,000	100,000
The Linbury Trust	–	100,000	100,000	–	50,000	50,000
New Wolsey Theatre	–	7,500	7,500	–	22,395	22,395
East End Community Foundation	–	–	–	–	10,000	10,000
Jack Petchey Foundation	–	1,500	1,500	–	2,248	2,248
National Theatre Connections	–	1,750	1,750	–	–	–
Esmée Fairbairn Foundation	50,000	–	50,000	–	61,750	61,750
Rank Foundation	–	–	–	–	15,000	15,000
Equity Charitable Trust	–	2,500	2,500	–	–	–
Worshipful Company of Basketmakers	–	5,000	5,000	–	2,500	2,500
Clifford Chance	–	–	–	–	1,000	1,000
Groundwork	–	–	–	–	1,000	1,000
West Ham Foundation	–	4,674	4,674	–	–	–
Harold Hyam Wingate Foundation	–	10,000	10,000	–	–	–
Bunbury Family Trust	1,000	–	1,000	–	–	–
Aspers Good Causes Fund	–	6,750	6,750	–	–	–
Kings College London	–	600	600	–	–	–
The London Community Foundation	–	25,000	25,000	–	–	–
Gerald & Gail Ronson Family Trust	5,000	–	5,000	–	–	–
Rothschild Grant	–	–	–	–	5,558	5,558
Sir John Cass's Foundation	–	–	–	–	21,250	21,250
Santander Charitable Giving Fund	–	–	–	–	4,200	4,200
St James's Place Charitable Foundation	–	–	–	–	5,600	5,600
Aziz Foundation	–	–	–	1,000	5,000	6,000
Corporate and Individual donors	336,011	–	336,011	363,081	–	363,081
	1,753,517	172,274	1,925,791	1,725,587	699,371	2,424,958

Grants – Association of London Government and London Boroughs

In accordance with sub-section 37(4) of the Local Government and Housing Act 1989, these grants have been fully utilised in accordance with the terms under which they were originally granted and have been fully expended on revenue items in the normal course of the charitable company's business.

3 Income from charitable activities

	2020 Total £	2019 Total £
Theatre		
Box office receipts	1,087,154	803,312
Touring and co-productions	297,604	175,966
Front of house	56,922	47,897
Theatre hire	19,190	29,655
Royalties	7,166	11,407
Other income	6,129	6,168
Education and workshops	4,312	7,287
Total income from charitable activities	1,478,477	1,081,692

All income from charitable activities is unrestricted.

4 Income from other trading activities

	2020 Total £	2019 Total £
Commercial Trading (note 12)	99,762	138,460
Corporation tax rebate	143,304	142,653
	243,066	281,113

All income from other trading activities is unrestricted.

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Notes to the financial statements

For the year ended 31 March 2020

5a Analysis of expenditure (current year)

	Charitable activities						
	Raising funds £	Theatre costs £	Education & Workshops £	Governance costs £	Support costs £	2020 Total £	2019 Total £
Staff costs (Note 7)	164,742	1,324,648	107,760	–	326,746	1,923,896	1,761,240
Theatre production freelance	–	210,688	–	–	–	210,688	157,620
Theatre production costs	–	868,488	–	–	–	868,488	699,953
Theatre running costs	–	80,852	–	–	117,399	198,251	303,278
Theatre fundraising costs	35,936	18,888	–	–	–	54,824	58,243
Press and publicity	–	12,016	–	–	49,965	61,981	65,061
Education and workshops	–	–	5,154	–	–	5,154	5,807
Commercial trading	40,258	–	–	–	–	40,258	67,360
General office and administration	–	–	–	–	128,654	128,654	147,326
Depreciation	6,206	43,106	–	–	6,824	56,136	44,913
Audit fees	–	–	–	9,975	–	9,975	19,600
Legal and professional fees	–	8,438	–	–	2,292	10,730	13,671
Board meeting expenses	–	–	–	497	–	497	1,355
	247,142	2,567,124	112,914	10,472	631,880	3,569,532	3,345,427
Support costs	36,881	569,930	25,068	–	(631,880)	(1)	–
Governance costs	611	9,445	415	(10,472)	–	(1)	–
<b>Total expenditure 2020</b>	<b>284,634</b>	<b>3,146,499</b>	<b>138,397</b>	<b>–</b>	<b>–</b>	<b>3,569,530</b>	
Total expenditure 2019	310,652	2,874,863	159,912	–	–		3,345,427

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Notes to the financial statements

For the year ended 31 March 2020

5b Analysis of expenditure (prior year)

	Charitable activities					
	Raising funds £	Theatre costs £	Education & Workshops £	Governance costs £	Support costs £	2019 Total £
Staff costs (Note 7)	158,766	1,161,451	118,749	–	322,274	1,761,240
Theatre freelance costs	0	157,620	0	0	0	157,620
Theatre production costs	–	699,953	–	–	–	699,953
Theatre running costs	–	157,678	–	–	145,600	303,278
Theatre fundraising costs	37,218	21,025	–	–	–	58,243
Press and publicity	–	7,032	–	–	58,029	65,061
Education and workshops	–	–	5,807	–	–	5,807
Commercial trading	67,360	–	–	–	–	67,360
Premises	–	–	–	–	–	–
General office and administration	–	–	–	–	147,326	147,326
Depreciation	7,024	29,476	–	–	8,413	44,913
Audit fees	–	–	–	19,600	–	19,600
Legal and professional fees	–	5,014	–	–	8,657	13,671
Board meeting expenses	–	–	–	1,355	–	1,355
Other costs	–	–	–	–	–	–
	270,368	2,239,249	124,556	20,955	690,299	3,345,427
Support costs	39,097	616,888	34,314	–	(690,299)	–
Governance costs	1,187	18,726	1,042	(20,955)	–	–
<b>Total expenditure 2019</b>	<b>310,652</b>	<b>2,874,863</b>	<b>159,912</b>	<b>–</b>	<b>–</b>	<b>3,345,427</b>

Notes to the financial statements

For the year ended 31 March 2020

**6 Net income / (expenditure) for the year**

	Group 2020 £	2019 £
This is stated after charging:		
Depreciation	56,136	44,913
Auditor's remuneration (excluding VAT):		
Audit (Group)	14,280	14,000
Other services	4,695	4,000
Operating lease costs	3,504	3,504

**7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	1,098,542	980,252
Non NI Salaries and wages	597,811	446,003
Social security costs	95,692	82,811
Pension costs	39,538	25,365
Total employee costs	1,831,583	1,534,431
Freelance staff	57,759	172,745
Commercial trading	34,554	54,064
Total staff costs	1,923,896	1,761,240

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2020 No.	2019 No.
£60,000 – £69,999	2	1

No trustees received any remuneration or benefits in kind in their capacity as a trustee during the year (2019: none).

One trustee had travel and subsistence expenses reimbursed in the year totalling £35 (2019: £229).

The key management of the Charity comprise of the Trustees, the Executive Director and the Artistic Director.

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £147,618 (2019: £106,414).

**8 Staff numbers**

The average weekly number of employees (head count based on number of staff employed) during the year was 103 (2019: 76).

	2020 No.	2019 No.
Fundraising	4	3
Productions	61	39
Press and Publicity	5	4
Education	3	3
Support and Administration	28	25
Trading Activities	2	2
	103	76

Employee time has been allocated either;

- i) To direct costs on a percentage of the time spent by an employee on an activity
- ii) To support costs allocated on a percentage basis over all the costs

Notes to the financial statements

For the year ended 31 March 2020

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Stratford East (Trading) Limited distributes under Gift Aid available profits to the parent charity. Its charge to corporation tax in the year was:

	2020 £	2019 £
UK corporation tax at 19%	–	–

10 Tangible fixed assets

Group	Equipment & Furniture £	Building Improvements £	Total £
<b>Costs</b>			
As at 1 April 2019	277,747	468,543	746,290
Additions	107,153	11,665	118,818
Disposals	–	–	–
At 31 March 2020	384,900	480,208	865,108
<b>Depreciation</b>			
As at 1 April 2019	188,406	63,526	251,932
Charge for the year	33,164	22,972	56,136
Disposals	–	–	–
At 31 March 2020	221,570	86,498	308,068
<b>Net book value 31 March 2020</b>	163,330	393,710	557,040
31 March 2019	89,341	405,017	494,358
<b>Charity</b>			
<b>Costs</b>			
As at 1 April 2019	228,259	468,543	696,802
Additions	107,153	11,665	118,818
Disposals	–	–	–
At 31 March 2020	335,412	480,208	815,620
<b>Depreciation</b>			
As at 1 April 2019	148,940	63,526	212,466
Charge for the year	26,958	22,972	49,930
Disposals	–	–	–
At 31 March 2020	175,898	86,498	262,396
<b>Net book value 31 March 2020</b>	159,514	393,710	553,224
31 March 2019	79,319	405,017	484,336

All of the above assets are used for charitable purposes.

# Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

## Notes to the financial statements

### For the year ended 31 March 2020

#### 11 Investments

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Shares in group undertakings	-	-	2	2

#### 12 Net income from the subsidiary trading activities

The wholly owned trading subsidiary Stratford East (Trading) Limited, a company registered in England and Wales. The company number is 03074042, and the registered office address is Theatre Royal Stratford East, Gerry Raffles Square, Stratford, London, E15 1BN. All activities have been consolidated on a line by line basis in the statement of financial activities. The trading company distributes its available taxable profits to the charitable company under gift aid. Stratford East (Trading) Limited provides the bar and catering facilities at the Theatre Royal.

The charity owns the entire issued share capital of 2 ordinary shares of £1 each. The trustees Dame Margaret Hodge, Martin Pilgrim, Joshua Garfield, Peter Wilson and Christopher Hird are also directors of the subsidiary.

A summary of the trading results of the subsidiary is shown below:

	2020	2019
	£	£
Turnover	99,425	138,106
Cost of sales	(45,349)	(99,949)
Administrative expenses	(35,670)	(28,499)
<b>Net profit/(loss)</b>	<b>18,407</b>	<b>9,658</b>
Other income and bank interest	337	354
<b>Retained in subsidiary</b>	<b>18,744</b>	<b>10,012</b>

The aggregate of the assets, liabilities and reserves was:

Fixed assets	3,815	10,022
Current assets	61,010	52,283
Creditors: amounts falling due within one year	(111,399)	(127,674)
<b>Total net liabilities</b>	<b>(46,575)</b>	<b>(65,369)</b>
<b>Aggregate share capital and reserves</b>	<b>(46,575)</b>	<b>(65,369)</b>

The charity also owns the entire issued share capital of 1 ordinary share of £1 of Stratford East Productions Limited, a company incorporated in England. The company number is 05369063, and the registered office address is Theatre Royal Stratford East, Gerry Raffles Square, Stratford, London, E15 1BN. Stratford East Productions Limited has been dormant throughout the year and given its immateriality has not been included in the consolidated accounts.

#### Parent charity

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

	2020	2019
	£	£
Gross income	3,377,221	2,951,069
Result for the year	60,983	433,461

Notes to the financial statements

For the year ended 31 March 2020

13 Debtors

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	73,460	30,939	69,788	30,491
Amounts owed from group undertakings	–	–	77,618	26,989
Accrued income	81,974	92,120	81,974	92,120
Other debtors	17,581	32,626	17,581	31,715
Prepayments	11,630	27,125	11,630	27,125
Deferred production costs	11,551	52,841	11,551	52,841
Corporation tax	261,498	247,653	261,498	247,653
<b>Total current debtors</b>	<b>457,694</b>	<b>483,304</b>	<b>531,640</b>	<b>508,934</b>

14 Creditors: amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	52,363	98,254	39,111	90,934
Taxation and social security	26,296	24,101	26,296	24,101
Other creditors	211,672	230,986	195,442	199,186
Accruals	422,088	211,602	417,888	149,626
Deferred income (note 16)	78,628	263,754	78,628	263,754
	<b>791,047</b>	<b>828,697</b>	<b>757,365</b>	<b>727,601</b>

Included in other creditors above is an amount due in relation to pension schemes of £11,244 (2019: £6,090).

15 Deferred income

Deferred income movements in the year were as follows:

	At 1 April 2019 £	Released in year £	Deferred in year £	At 31 March 2020 £
<b>Group and Charity</b>				
Box office advance income	263,754	(263,754)	71,878	<b>71,878</b>
Grants for Educational Work	–	–	5,000	<b>5,000</b>
Future Events income	–	–	1,750	<b>1,750</b>
	<b>263,754</b>	<b>(263,754)</b>	<b>78,628</b>	<b>78,628</b>



Notes to the financial statements

For the year ended 31 March 2020

16a Movements in funds (current year)

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2020 £
<b>Restricted funds:</b>					
Jack Petchey Foundation	–	1,500	(1,500)	–	–
National Theatre Connections	–	1,750	(1,750)	–	–
Equity Charitable Trust	–	2,500	(2,500)	–	–
The Linbury Trust	–	100,000	–	(100,000)	–
London Borough of Newham	–	7,000	(7,000)	–	–
New Wolsey Theatre	–	7,500	(7,500)	–	–
West Ham Foundation	–	4,674	(4,674)	–	–
Harold Hyam Wingate Foundation	–	10,000	–	–	10,000
Aspers Good Causes Fund	–	6,750	(6,750)	–	–
Kings College London	–	600	(600)	–	–
Sir John Cass's Foundation	8,750	–	(8,750)	–	–
Worshipful Company of Basket Makers	5,000	5,000	(5,000)	–	5,000
The London Community Foundation	–	25,000	(25,000)	–	–
<b>Total restricted funds</b>	<b>13,750</b>	<b>172,274</b>	<b>(71,024)</b>	<b>(100,000)</b>	<b>15,000</b>
<b>Unrestricted funds:</b>					
<b>Designated Funds</b>					
Fixed Assets				557,040	557,040
Building Fund				100,000	100,000
Operational Fund				500,000	500,000
	–	–	–	1,157,040	1,157,040
Unrestricted general funds	1,216,005	3,377,221	(3,417,540)	(1,057,040)	118,646
Non-charitable trading	(65,371)	99,762	(80,966)	–	(46,575)
<b>Total unrestricted funds</b>	<b>1,150,634</b>	<b>3,476,983</b>	<b>(3,498,506)</b>	<b>100,000</b>	<b>1,229,111</b>
<b>Total funds</b>	<b>1,164,384</b>	<b>3,649,258</b>	<b>(3,569,530)</b>	<b>–</b>	<b>1,244,111</b>

**Transfers between funds**

The transfer of the £100,000 grant from *The Linbury Trust* relates to the purchase of theatre equipment for which the grant was given. We have fulfilled the condition of the grant with the purchase and have therefore transferred the grant to the unrestricted funds. The net book value of the asset forms part of the tangible fixed assets at the year end.

The transfer of £1,157,040 from *Unrestricted General Funds* to *Designated Funds* arises from the trustees' decision to explicitly show designations in this year's accounts

**Purposes of restricted funds**

Funds given by *The Linbury Trust* were for the purchase of theatre equipment.

The *London Borough of Newham* grant was in support of productions at the Roundabout in October 2019.

The grant from the *Harold Hyam Wingate Foundation* is to provide funding for the employment of Assistant Directors on future productions.

Other funds restricted as listed above have been given to support the theatre's programmes of work with young people and the local community.

**Purposes of Designated funds**

The trustees have this year decided to be explicit in showing the designations in the accounts.

The *Fixed Assets* fund represents the net value of Fixed Assets at the end of March 2020.

The *Building Fund* is allocated for the purpose of setting aside funds for essential major building repairs.

The *Operational Fund* represents the amount required to cover liabilities and operating costs in the event of an orderly wind-up of operations if that situation were to arise.

## Notes to the financial statements

For the year ended 31 March 2020

## 16b Movements in funds (prior year)

	At 1 April 2018	Income & gains	Expenditure & losses	Transfers	At 1 April 2019
	£	£	£	£	£
<b>Restricted funds:</b>					
Jack Petchey Foundation	-	2,248	(2,248)	-	-
Arts Council Transition Fund	178,239	341,870	(520,109)	-	-
Foyle Foundation	-	100,000	(100,000)	-	-
The Linbury Trust	-	50,000	(50,000)	-	-
London Borough of Newham	-	50,000	(50,000)	-	-
New Wolsey Theatre	-	22,395	(22,395)	-	-
Esmee Fairbairn Foundation	8,750	61,750	(8,750)	(61,750)	-
Rank Foundation	-	15,000	(15,000)	-	-
East End Community Foundation	-	10,000	(10,000)	-	-
Rothschild Grant	5,558	5,558	(11,116)	-	-
Sir John Cass's Foundation	6,250	21,250	(18,750)	-	8,750
Santander Charitable Giving Fund	4,200	4,200	(8,400)	-	-
St James's Place Charitable Foundation	5,600	5,600	(11,200)	-	-
Aziz Foundation	1,000	5,000	(6,000)	-	-
Worshipful Company of Basketmakers	2,500	2,500	-	-	5,000
Clifford Chance	-	1,000	(1,000)	-	-
Groundwork	-	1,000	(1,000)	-	-
<b>Total restricted funds</b>	<b>212,097</b>	<b>699,371</b>	<b>(835,968)</b>	<b>(61,750)</b>	<b>13,750</b>
<b>Unrestricted funds:</b>					
Unrestricted general funds	584,197	2,951,069	(2,381,011)	61,750	1,216,005
Non-charitable trading	(75,383)	138,460	(128,448)	-	(65,371)
<b>Total unrestricted funds</b>	<b>508,814</b>	<b>3,089,529</b>	<b>(2,509,459)</b>	<b>61,750</b>	<b>1,150,634</b>
<b>Total funds</b>	<b>720,911</b>	<b>3,788,900</b>	<b>(3,345,427)</b>	<b>-</b>	<b>1,164,384</b>

## Transfers between funds

Following discussion with The Esmee Fairbairn Foundation they agreed to the reclassification of their donation to support the work of the theatre in general, and the remaining unspent funds were moved from Restricted to Unrestricted.

## Purposes of restricted funds

The Arts Council Transition Fund is an award from the Arts Council given in 2018 to support the new Artistic Vision and inaugural season of work under the newly appointed Artistic Director, Nadia Fall.

Funds given by The Foyle Foundation, The Linbury Trust, and the London Borough of Newham were to support our programme of capital works.

Other funds restricted as listed above have been given to support the theatre's programmes of work with young people.

## 17a Analysis of group net assets between funds (current year)

	General unrestricted	Restricted funds	Total funds
	£	£	£
Tangible fixed assets	557,040	-	557,040
Current assets	672,070	15,001	687,071
Creditors amount falling due after more than one year	-	-	-
<b>Net assets at 31 March 2019</b>	<b>1,229,110</b>	<b>15,001</b>	<b>1,244,111</b>

Notes to the financial statements

For the year ended 31 March 2020

17b Analysis of group net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	494,358	–	494,358
Current assets	656,276	13,750	670,026
Creditors amount falling due after more than one year	–	–	–
<b>Net assets at 31 March 2018</b>	<b>1,150,634</b>	<b>13,750</b>	<b>1,164,384</b>

18 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Equipment 2020 £	2019 £
Less than one year	3,504	3,504
One to five years	8,973	11,946
Over five years	–	531
	<b>12,477</b>	<b>15,981</b>

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Equipment 2020 £	2019 £
Less than one year	2,124	2,124
One to five years	6,903	8,496
Over five years	–	531
	<b>9,027</b>	<b>11,151</b>

19 Capital commitments

At the balance sheet date, the group had no capital commitments (2019: £nil) in respect of development works.

20 Future Commitments

The charitable company entered into a 15 year lease with the Theatre Workshop Trust in September 2020; this is currently rent free.

21 Legal charges

The Theatre is party to a legal charge in favour of the Arts Council of England of £13,744,599 on the Freehold and Leasehold land and buildings of the Theatre. This charge was originally taken out and held jointly and severally against Pioneer Theatres, Theatre Workshops Trust and Dramrail Limited. (Dramrail Limited is the previous owner of the property now owned by Theatre Workshop Trust.) However, Dramrail Limited was dissolved on 26 January 2010. The charge relates to funds provided mainly to the London Borough of Newham in respect of works to the Theatre and surrounding areas, and expires in 2021.

**22 Related party transactions**

Joshua Garfield (trustee) is a councillor for LB Newham who provide TRSE with funding during the year.

The following trustees of the charity are also directors of the subsidiary, Stratford East Trading Limited: Joshua Garfield, Christopher Hird, Margaret Hodge, Martin Pilgrim, and Peter Wilson

There are no other related party transactions to disclose for 2020 (2019: none).

**23 Contingent assets or liabilities**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.