

Company Registration Number 09212765

Registered Charity Number 1163231

SPANISH THEATRE COMPANY

(A COMPANY LIMITED BY GUARANTEE)

REPORT AND ACCOUNTS

For the year ending 30 September 2022

SPANISH THEATRE COMPANY
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT
For the year ended 30 September 2022

The Trustees, who are also Directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 30 September 2022.

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|------------------------------------|---|
| Registered charity name | Spanish Theatre Company |
| Charity registration number | 1163231 |
| Company registration number | 09212765 |
| Registered office | Arch 26, 229 Union Street, London, England, SE1 0LR |

Trustees

For the purposes of the Companies Act 2006, the Board of Trustees is the Board of Directors of the charitable company and is referred to as "the Trustees" throughout this report.

The Trustees of Spanish Theatre Company during the year and to the date of signing this report are as follows:

| | |
|--------------------------|---------------------------|
| Graham Watts OBE (Chair) | |
| Mikel Benito | |
| Malcolm Carpenter | |
| Julio Bruno Castellanos | Appointed 25 January 2022 |
| Daniel Cooper | |
| Gloria Gomez | |
| Elena Lasa-Ayani | |

| | |
|-----------------------------|---|
| Bankers | HSBC Bank PLC, 5 Wimbledon Hill Road, Wimbledon, London SW19 7NF |
| Independent Examiner | Mr P O'Hara FCA, 4 Stoneyhurst Road West, Gosforth, Newcastle upon Tyne NE3 1PG |

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The Company is a Company Limited by Guarantee and was incorporated on 10 September 2014 and commenced its charitable activity on 1 July 2015. The Charity was formally registered with the Charity Commission on 20 August 2015.

The charitable company is governed by its Memorandum and Articles of Association which were adopted by the Directors on 8 July 2015.

The Directors of the company are also Trustees of the charity.

Eligibility for membership of the charity and membership of the Board of Trustees is governed by the Memorandum and Articles of Association. There are no restrictions in the governing document on the operation of the charity other than those imposed by general charity law.

SPANISH THEATRE COMPANY
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TRUSTEES' REPORT
For the year ended 30 September 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont.)

Charitable Purpose

Spanish Theatre Company aims to advance for the public benefit the promotion of the arts, primarily but not exclusively by the promotion of the dramatic art of Spain and Latin America.

Activities include original bilingual productions of classic and contemporary works of Spanish-language theatre, dramatized readings, bilingual acting workshops for youth and educational outreach through school productions.

Governance

The charity currently has seven Trustees.

The Board meets a minimum of four times per year and conducts an Annual General Meeting, typically in May.

At Trustees' meetings, held at least quarterly, the Trustees agree the broad strategy and areas of activity for the charity, including the consideration of development projects, reserves and risk management policies and performance.

Detailed written reports and an agenda are prepared by Trustees and senior staff, and circulated in advance of Board meetings.

Appointment and Induction of Trustees

The appointment of Trustees is carried out at regular Trustee meetings and is by unanimous agreement of the existing trustees. Trustees are appointed for an indefinite term.

The Memorandum and Articles of Association determine that the Board is made up of between three and seven Trustee Directors.

Trustees are nominated by invitation given that they have the necessary skills and expertise to contribute to the charity's activities and to be able to discharge their obligations as Trustees. The skills and composition of the Board is reviewed on a regular basis, taking into consideration succession planning, representation and experience, empathy and knowledge of the charity.

On appointment, Trustees undergo an induction programme that includes briefings from key staff and the Chair of the Trustees. A welcome pack includes an overview of the charity, copy Board meeting minutes, a copy of the last year's annual report and financial statements, a copy of the governing documentation and a copy of the Charity Commission's guidance 'The Essential Trustee: What You Need to Know' and 'Public Benefit: Running a Charity'. Trustees also have the opportunity and are positively encouraged to visit projects supported by the charity.

Management and Organisational Structure

Day to day management is delegated to the Artistic Directors (Jorge de Juan and Paula Paz). They are responsible for most of the key activities of the charity including the content of artistic programme, fundraising and regulatory compliance within the theatre.

SPANISH THEATRE COMPANY
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TRUSTEES' REPORT
For the year ended 30 September 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont.)

Key Management Personnel

The trustees consider the Board of Trustees and the Artistic Directors as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis.

All Trustees give their time freely and no Trustee remuneration was paid in the year. Details of any Trustee expenses and related party transactions are disclosed in the Notes to the financial statements.

Trustees are required to disclose all relevant interests and register them with the Chair and in accordance with the charity's Conflict of Interests policy withdraw from decisions where a conflict of interest arises.

Grant-making

The charity does not currently engage in grant-making activity.

Contribution of Volunteers

The charity makes extensive use of volunteers within its productions and to support its activities.

Policies on Reserves

The Trustees have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission.

Since the outbreak of the Covid-19 pandemic, the Trustees have taken a more prudent approach to determine the level of Unrestricted Reserves that the charity should maintain. After careful consideration, it has been concluded that the charity should have sufficient financial resources to fully cover all of its overhead costs during a three-month period if Spanish Theatre Company were unable to continue operating, together with an allowance to enable the charity to respond flexibly to issues or appropriate initiatives which might be identified outside of its annual budgeting process.

At present, the Trustees estimate that the Unrestricted Reserves required to cover its known overheads over a three-month period amounts to approximately £60,000. In addition, the Trustees consider that a contingency of at least £10,000 is prudent, resulting in an optimum level of Unrestricted Reserves in the region of £70,000.

Spanish Theatre Company currently holds negative Unrestricted Reserves of £(83,153) at 30 September 2022. Free Reserves, defined as Unrestricted Reserves minus the value of Tangible Fixed Assets, are £Nil.

The charity intends, via its budgeting processes, to reach the target level of reserves within 1-2 years. Once achieved, the Trustees believe that Unrestricted Reserves should be maintained at least at this level to ensure the charity can run efficiently and meet the needs of the beneficiaries.

This policy will be reviewed by the Trustees on an annual basis as part of the charity's budgeting processes.

SPANISH THEATRE COMPANY
(A COMPANY LIMITED BY GUARANTEE)
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For the year ended 30 September 2022

OBJECTIVES AND ACTIVITIES

Aims & Objectives

Spanish Theatre Company (STC) aims to bring the best Spanish and Latin American theatre to London and to British audiences, thereby promoting Spanish language dramatic arts.

It does so by staging a combination of STC productions and performances of Spanish and Latin American plays from other theatre companies at its home base of Cervantes Theatre, London's first venue dedicated to showcasing Spanish and Latin American plays.

STC acts as a cultural link between the UK and both Spain and Latin America, presenting a wide variety of Golden Age classics, as well as modern and contemporary masterpieces, to a broad audience of all nationalities. It also develops productions for schools.

Through its bilingual programming, STC encourages Spanish/Latin American/British cultural exchange and is becoming a reference point in London for Spanish-speaking culture and heritage.

Public Benefit

The Trustees understand and have discussed the implications of the provisions of the Charities Act 2006, which state that all charities must demonstrate that they are established for public benefit, and have had due regard to the public benefit guidance issued by the Charity Commission. The Trustees believe that the charity meets both of the key principles.

Principle 1 - There must be an identifiable benefit, or benefits

Principle 2 - Benefit must be to the public, or a section of the public

The charity's principal public benefits are:

- Education and development of young people - The charity's participatory activities focus on encouraging the use of the Spanish language, broadening the understanding Hispanic culture and strengthening the social and emotional capabilities of young people – such things as confidence, resilience, creativity, communication, managing feelings, problem-solving, relationship-building, responsibility and perseverance - through participation in creative activities.
- Events and plays for the general public - The charity runs events and plays with its various groups to promote the Spanish language and Hispanic culture to UK-based audiences in order to strengthen cross-border engagement and understanding, which are delivered to a high standard and directed by paid professional staff.

The main beneficiaries are:

- Children and young people aged 8-19 who take part in our school productions and our work in education settings
- Members of the public who attend our events and performances

SPANISH THEATRE COMPANY
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For the year ended 30 September 2022

OBJECTIVES AND ACTIVITIES (Cont.)

Risk Management

The Trustees regularly review the major governance, operational and financial risks which the charity faces as part of its annual business planning process and confirm that systems have been established to mitigate these risks.

The charity has a risk management strategy in place which comprises:

- an annual review of the strategic risks the charity may face via the business plan
- the establishment of systems and procedures to mitigate those risks identified
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The Trustees are satisfied that appropriate financial systems and controls and employment policies and practices are in place. They consider the key risks facing the charity at this time to be:

- Covid-19 Pandemic - The outbreak of the pandemic has been one of the major risks we have faced so far. A risk management protocol was put in place early on and has been closely monitored by the Board of Trustees.
- Financial capacity - New sources of income are being developed to make the charity's operations secure in the longer term, but this is an ongoing process, which needs further development and funding to achieve its aims. Reserves also need to be increased to enable the charity to deal with requirements outside annual budgets.
- Personnel - The charity has a high potential to develop further and, in order to achieve that, we would need to increase human capacity and financial resources to successfully manage this growth.

The Trustees have managed the potential impact of these risks by ensuring that:

- A risk management plan has been set for the Covid-19 crisis
- Prudent budgets have been set for the next financial year;
- The charity maintains a low-cost base, making extensive use of freelancers such that few significant liabilities exist;
- Regular management accounts are provided, showing the performance against budget;
- Contingency plans are in place for the actions which would be taken if income appears unlikely to reach its target;
- Reserves policies have been adopted which provide an appropriate amount of uncommitted reserves which will enable the charity to meet all its liabilities even if income targets are not achieved.

SPANISH THEATRE COMPANY
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TRUSTEES' REPORT
For the year ended 30 September 2022

ACHIEVEMENTS AND PERFORMANCE

The year to 30 September 2022 was the fifth full financial year since the opening of our permanent home at the Cervantes Theatre.

This year continued to be a very complex year due to the effects of Covid 19 and Brexit.

We have had a very successful year in regards of the quality of our productions which have achieved great reviews and wonderful feedback from our audiences; we have also managed to bring a greater level of guest companies to the Cervantes Theatre.

Financially it has been a very difficult year. Audiences are still not at the same level as in 2019 for the whole industry and this has of course affected the Cervantes Theatre too. The charity continues in negotiation with its landlord in relation to rental concessions for the periods of forced closure of Covid-19 and the rent level going forwards.

Artistic Output

In September 2021 we started with an in-house production of *Joe Strummer Takes a Walk* by Juan Alberto Salvatierra, the winner of the Ana Caro Award 2020.

In November we produced *Hay que deshacer la casa* by Sebastian Junyent.

In December we brought from Spain the play *Enigma Pessoa*, by Pablo Viar.

We continued doing by popular demand our successful production of *The House of Bernarda Alba* by Federico García Lorca, from February until April 2022.

We dedicated the month of May to *Una habitación propia*, a production brought from Spain based on Virginia's Woolf book, adapted by María Ruiz and with Clara Sanchis. Also *Cartas Vivas*. *Carmen Laforet y Elena Fortún*, a Cervantes Theatre production with dramaturgy by Paula Paz.

In June 2022 we were part one more year of the Flamenco Festival in London and we had flamenco artists Yera Cortés, Ángeles Toledano and Pasión del Sur performing at the Cervantes Theatre.

During June and July we produced *The play to be played* by Miguel del Arco and Aitor Tejada which we did as a dramatised reading on the previous year.

Finally, in August and September, we produced the zarzuela/operetta which is a particular musical, operatic genre in Spain. The zarzuela was *Black, el payaso* by Spanish composer Pablo Sorozábal. This was also the first time that the Cervantes Theatre had a show on a different venue in the UK, the Arcola Theatre, a fruitful collaboration as part of their Grimeborn Festival. The show then went to the Cervantes Theatre.

We gave the 2022 Ana Caro Award to Clara Díaz for the play *Canción para un niño descalzo*.

With our Educational Programme we have an online platform that allows students and teachers to discover more about Spanish plays that are in the Spanish A-Level curriculum like *The House of Bernarda Alba* or *Yerma*. During this year we have expanded that offer and we have been able to prepare the video of our production of *Yerma* that will be streamed for schools and students.

SPANISH THEATRE COMPANY
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ACHIEVEMENTS AND PERFORMANCE (Cont.)

If we were to summarise the achievements and performance for this financial year these would be the key points:

1. Keeping the theatre afloat after the 15-month closure after the pandemic and the 2021 crisis by minimising cash outgoings and by securing emergency grants to support the theatre during that time.
2. Audience Development
We kept working towards developing our audiences. This year, despite the general drop in audiences in the whole industry, we have worked hard to keep the audience levels to the ones we had in 2019 and we have kept working towards the development of new audiences. With the development of the digital strategy that came from the need to connect with our audiences while the theatre was closed, we saw how the activities that we were streaming suddenly reached audiences from all over the world, interested in Spanish and Latin American theatre in translation. We have seen people from many different parts of the world joining our online activities and showing an interest in our work. That's why we have maintained part of our activity online.
3. Access
The digital programme that we have offered for free has also provided accessibility to people from a low socio-economic background, with reduced mobility, overcoming geographical barriers, or people in isolation or experiencing hardship during this pandemic.
4. Supporting freelance artists
This continues to be one of our priorities during this financial year. We have been able to give work to over 70 freelance artists in different productions and projects.

Financial Review

The financial out-turn for the year is an overall unrestricted deficit of £(143,757) (2021: Unrestricted Deficit of £26,492), leaving a balance on Unrestricted Funds of £(83,153) at 30 September 2022.

Going Concern

The Trustees of the Spanish Theatre Company consider it reasonable to adopt the going concern basis in preparing the financial statements for the year ended 30 September 2022.

The Company's current liabilities exceed its current assets, mainly due to historical rent obligations accumulated during a period of theatre closures during the Covid-19 pandemic. This represents a material uncertainty that casts significant doubt on the Charity's ability to continue as a going concern.

However, at the point of signing these accounts, the Trustees are in negotiations with the landlord of the theatre's main premises. As part of these negotiations, the Trustees are expecting to achieve a waiver of a significant amount of the Company's historical debt and a reduction of the headline annual rent, which would significantly improve the Company's financial position. The Trustees are closely monitoring the Company's cash-flow forecast to ensure that it has sufficient funds to meet its obligations as they fall due.

SPANISH THEATRE COMPANY
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TRUSTEES' REPORT
For the year ended 30 September 2022

ACHIEVEMENTS AND PERFORMANCE (Cont.)

Going Concern (Cont.)

In addition, the Directors of the Company are intensifying their fundraising efforts and are hopeful of securing new funding sources in the near future via new sponsorship agreements and private donations. These efforts, if successful, will enhance the Company's financial position and enable it to continue its operations.

Based on the above factors, these financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future. The financial statements do not include any adjustments that would be necessary if the Company is unable to continue as a going concern.

PLANS FOR FUTURE PERIODS

Our plan for the future sees the Spanish Theatre Company and the Cervantes Theatre with the mission of bringing the best Spanish and Latin American theatre to the UK at its core.

- We keep working towards creating an open space that cherishes diversity and welcomes different cultures, languages, abilities, ages and socio-economical backgrounds. A space where everyone is welcomed and listened to and where theatre in particular and culture in general are for and with the people.
- We keep working towards building a theatre that is financially sustainable and we plan to secure long-term funding from Spanish and British public bodies that can help develop the future plans of the theatre. We are also working towards securing sponsorships and donations.
- We keep working towards building bridges between the UK, Spain and Latin America and we plan to build strong national and international collaborations to unite forces with other theatres and develop ambitious projects together.

We know that the next few years will continue to be years of uncertainty caused by the pandemic and that the industry will have to recover from its impact so we will have to plan with both care and ambition in order to navigate this exceptional time.

Here is an outline of the plans for the next financial year:

- October 2022 – November 2022: Happiness by Marilia Samper
- November 2022: Un rumor de sangre by Jesús García Salgado (Teatro del Duende) and Juguetes Rotos by Carolina Román (online dramatised reading)
- December 2022: El retablillo de Don Cristóbal by Lorca (Nao d'amores)
- January - February 2023 Cartas Vivas. Carmen Laforet and Elena Fortún at Teatro de la Abadía Madrid and Corral de Comedias Alcalá de Henares.
- February-April 2023: La Casa de Bernarda Alba by Federico García Lorca (in Spanish)
- April 2023: El perro del hortelano by Lope de Vega (Fundación Siglo de Oro) and Una niña es una cosa a medio formar
- May-June 2023: New Spanish Playwriting Season VI
- July 2023: Direct your future
- September 2023: Contemporary Spanish Theatre Season V

SPANISH THEATRE COMPANY
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TRUSTEES' REPORT
For the year ended 30 September 2022

RESPONSIBILITIES OF THE TRUSTEES

The Trustees (who are also the Directors of Spanish Theatre Company 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 period 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 judgments 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;
- 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 proper 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. The Trustees 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.

Signed by order of the Trustees

A handwritten signature in black ink, appearing to read 'Graham Watts', with a long horizontal flourish extending to the right.

Graham Watts OBE
Trustee
Company Registration Number 09212765

7 June 2023

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS ON THE UNAUDITED ACCOUNTS OF SPANISH THEATRE COMPANY LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2022

I hereby report to the Trustees of Spanish Theatre Company (Charity Registration Number 1163231) on my examination of the accounts for the year ended 30 September 2022 set out on pages 12 to 25.

Responsibilities and Basis of Report

As the charity's Trustees (and also its directors for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

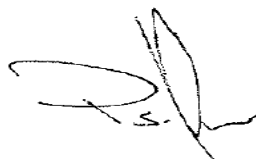
Independent Examiner's Statement

Since the Company's gross income exceeded £250,000, your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountant in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods or principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial reporting Standard applicable in the UK and Republic of Ireland (FRS102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Pete O'Hara, FCA, Chartered Accountant
Fellow of the Institute of Chartered Accountants in England & Wales
4 Stoneyhurst Road West, Gosforth, Newcastle upon Tyne NE3 1PG

7 June 2023

SPANISH THEATRE COMPANY
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2022

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total 2022 £ | Total 2021 £ |
|--|------|----------------------------|--------------------------|------------------|--------------------|
| Income | | | | | |
| Income from Donations & Legacies | 3 | 2,577 | - | 2,577 | 1,362 |
| Income from Charitable Activities | 4 | 210,671 | 53,269 | 263,940 | 227,729 |
| Income from Trading Activities | 5 | 10,577 | - | 10,577 | 2,142 |
| Other Income | 6 | - | - | - | 42,619 |
| | | 223,825 | 53,269 | 277,094 | 273,852 |
| Expenditure | | | | | |
| Expenditure on Raising Funds | 7 | 4,410 | - | 4,410 | 2,256 |
| Expenditure on Charitable Activities | 8 | 363,172 | 53,269 | 416,441 | 298,088 |
| | | 367,582 | 53,269 | 420,851 | 300,344 |
| Net Income/(Expenditure) | | (143,757) | - | (143,757) | (26,492) |
| Balance brought forward at 1 October | | 60,604 | - | 60,604 | 87,096 |
| Balance carried forward at 30 September | | £(83,153) | £- | £(83,153) | £60,604 |

The notes on pages 14 to 25 form part of the financial statements.

All of the activities of the company are classed as continuing.

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

SPANISH THEATRE COMPANY
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STATEMENT OF FINANCIAL POSITION/BALANCE SHEET
AS AT 30 SEPTEMBER 2022

| | Notes | 2022 £ | 2021 £ |
|--|-------|------------------|-----------------|
| Fixed Assets | | | |
| Tangible Fixed Assets | 12 | 130,633 | 144,530 |
| Intangible Assets | 13 | - | 264 |
| | | <u>130,633</u> | <u>144,794</u> |
| Current Assets | | | |
| Stocks/Work In Progress | 14 | 1,786 | 2,293 |
| Debtors | 15 | 79,164 | 72,596 |
| Cash At Bank & In Hand | | 15,864 | 78,585 |
| | | <u>96,814</u> | <u>153,474</u> |
| Creditors – Amounts Falling Due Within 1 Year | 16 | (258,600) | (173,664) |
| Net Current Assets/(Liabilities) | | <u>(161,786)</u> | <u>(20,190)</u> |
| Total Assets less Current Liabilities | | (31,153) | 124,604 |
| Creditors – Amounts Falling Due After 1 Year | 17 | (52,000) | (64,000) |
| Total Net Assets | 19 | £(83,153) | £60,604 |
| Represented by: | | | |
| Unrestricted Reserves | 20 | (83,153) | 60,604 |
| Restricted Reserves | 20 | - | - |
| | | <u>£(83,153)</u> | <u>£60,604</u> |

The notes on pages 14 to 25 form part of the financial statements.

The Trustees are satisfied that for the year ended 30 September 2022 the charity was entitled to exemption under section 477(2) of the Companies Act 2006.

The Trustees also confirm that the Members have not required the charity to obtain an audit in accordance with section 476 of the Companies Act 2006

The Trustees acknowledge their responsibilities for:

- (i) ensuring that the charity keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charity.

These financial statements were approved by the Board of Trustees on 7 June 2023 and signed on their behalf:



Graham Watts OBE
Trustee
Company Registration Number 09212765

SPANISH THEATRE COMPANY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. Accounting Policies

Basis of Accounting

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006 and the Statement of Recommended Practice (Charities SORP FRS 102) "Accounting and Reporting by Charities" and the Charities Act 2011.

The financial statements have been prepared on the historical cost basis, modified to include certain financial instruments at fair value.

Advantage has been taken of the provisions in the SORP for Charities applying FRS 102 Update Bulletin 1 not to prepare a statement of cashflows.

The financial statements are prepared in sterling, which is the functional currency of the charity.

Taxation Status

Spanish Theatre Company is a Charity registered under the 1960 Charities Act and is accorded exemption from liability to taxation on its income under S505 Income and Corporation Taxes Act 1988.

Income

All income is included in the statement of financial activities when the charity is entitled to the income, any performance related conditions attached have been met or are fully within the control of the charity, the income is considered probable and the amount can be quantified with reasonable accuracy.

The following specific policies are applied to particular categories of income:

- Donations and legacy income is received by way of donations, legacies, grants and gifts and is included in full in the Statement of Financial Activities when receivable. Where legacies have been notified to the charity but the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material.
- Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Investment income is included when receivable.
- Income from charitable trading activity is accounted for when earned.
- Other income is accounted for when receivable.

SPANISH THEATRE COMPANY
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. Accounting Policies (Continued)

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of raising funds comprise the costs associated with attracting donations, grants and legacies and the costs of trading for fundraising purposes.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

Tangible Fixed Assets and Depreciation

Capital items costing over £250 are capitalised and included in fixed assets.

Depreciation is provided on any fixed assets at rates calculated to write off the assets over their remaining useful lives as follows:

- IT Equipment – 3 years
- Fixtures & Fittings – 15 years
- Furniture & Equipment – 5 years

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Financial Instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost where there is a material adjustment.

SPANISH THEATRE COMPANY
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. Accounting Policies (Continued)

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the purposes of the charity.

Designated funds are unrestricted funds earmarked by the trustees for specific purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no significant judgements or estimation uncertainty included within the financial statements.

Pensions

Spanish Theatre Company contributes to a defined contribution pension scheme. Further details can be found in Note 10.

For the defined contribution scheme, the amount charged to the Statement of Financial Activities in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance Sheet.

SPANISH THEATRE COMPANY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. Accounting Policies (Continued)

Going Concern

The Trustees of the Spanish Theatre Company consider it reasonable to adopt the going concern basis in preparing the financial statements for the year ended 30 September 2022.

The Company's current liabilities exceed its current assets, mainly due to historical rent obligations accumulated during a period of theatre closures during the Covid-19 pandemic. This represents a material uncertainty that casts significant doubt on the Charity's ability to continue as a going concern.

However, at the point of signing these accounts, the Trustees are in negotiations with the landlord of the theatre's main premises. As part of these negotiations, the Trustees are expecting to achieve a waiver of a significant amount of the Company's historical debt and a reduction of the headline annual rent, which would significantly improve the Company's financial position. The Trustees are closely monitoring the Company's cash-flow forecast to ensure that it has sufficient funds to meet its obligations as they fall due.

In addition, the Directors of the Company are intensifying their fundraising efforts and are hopeful of securing new funding sources in the near future via new sponsorship agreements and private donations. These efforts, if successful, will enhance the Company's financial position and enable it to continue its operations.

Based on the above factors, these financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future. The financial statements do not include any adjustments that would be necessary if the Company is unable to continue as a going concern.

2. Legal Status

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 £1.

SPANISH THEATRE COMPANY
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NOTES TO THE ACCOUNTS
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3. Income from Donations & Legacies

| | Unrestricted Funds | Restricted Funds | 2022 | 2021 |
|-----------|-------------------------------|-----------------------------|---------------|---------------|
| | £ | £ | £ | £ |
| Donations | 2,577 | - | 2,577 | 1,362 |
| | £2,577 | £- | £2,577 | £1,362 |

The 2021 total of £1,362 is comprised wholly of Unrestricted Funds.

4. Income from Charitable Activities

| | Unrestricted Funds | Restricted Funds | 2022 | 2021 |
|--------------------------|-------------------------------|-----------------------------|-----------------|-----------------|
| | £ | £ | £ | £ |
| Grant Income | | | | |
| Arts Council England | 62,063 | - | 62,063 | 106,950 |
| Southwark Council | - | - | - | 28,936 |
| | 62,063 | - | 62,063 | 135,886 |
| Earned Income | | | | |
| Educational Activities | 13,550 | - | 13,550 | 5,499 |
| Ticket Sales | 105,954 | - | 105,954 | 25,992 |
| Sponsorship of Programme | - | 53,269 | 53,269 | 43,789 |
| Theatre Hire | 18,933 | - | 18,933 | 595 |
| Theatre Tax Relief | 5,476 | - | 5,476 | 15,955 |
| Other Earned Income | 4,695 | - | 4,695 | 13 |
| | 148,608 | 53,269 | 201,877 | 91,843 |
| | £210,671 | £53,269 | £263,940 | £227,729 |

The 2021 total of £227,729 is comprised wholly of Unrestricted Funds.

SPANISH THEATRE COMPANY
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

5. Income from Trading Activities

| | Unrestricted Funds £ | Restricted Funds £ | 2022 £ | 2021 £ |
|-------------|-------------------------------------|-----------------------------------|-------------------|-------------------|
| Bar Takings | 10,577 | - | 10,577 | 2,142 |
| | £10,577 | £- | £10,577 | £2,142 |

The 2021 total of £2,142 is comprised wholly of Unrestricted Funds.

6. Other Income

| | Unrestricted Funds £ | Restricted Funds £ | 2022 £ | 2021 £ |
|---------------------------------|-------------------------------------|-----------------------------------|-------------------|-------------------|
| Business Interruption Insurance | - | - | - | 42,619 |
| | £- | £- | £- | £42,619 |

The 2021 total of £42,619 is comprised wholly of Unrestricted Funds.

7. Expenditure on Raising Funds

| | Unrestricted Funds £ | Restricted Funds £ | 2022 £ | 2021 £ |
|-------------------|-------------------------------------|-----------------------------------|-------------------|-------------------|
| Bar Cost of Sales | 4,410 | - | 4,410 | 2,256 |
| | £4,410 | £- | £4,410 | £2,256 |

The 2021 total of £2,256 is comprised wholly of Unrestricted Funds.

SPANISH THEATRE COMPANY
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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

8. Expenditure on Charitable Activities

| | Unrestricted Funds £ | Restricted Funds £ | 2022 £ | 2021 £ |
|---|----------------------------|--------------------------|-----------------|-----------------|
| Production & Activity Costs | | | | |
| Staffing Costs | 118,252 | - | 118,252 | 110,490 |
| Production Costs | 66,846 | 53,269 | 120,115 | 75,551 |
| Event & Sponsorship Costs | 2,917 | - | 2,917 | 40 |
| Other Direct Costs | 5,345 | - | 5,345 | 11,337 |
| Advertising & Marketing/Social Media | 10,214 | - | 10,214 | 6,028 |
| Support Costs | | | | |
| Premises Costs | 94,206 | - | 94,206 | 43,138 |
| Repairs, Maintenance & Leased Equipment | 18,896 | - | 18,896 | 8,026 |
| Office Costs | 19,375 | - | 19,375 | 17,694 |
| Travel & Subsistence Costs | 1,768 | - | 1,768 | 115 |
| Irrecoverable VAT | 405 | - | 405 | - |
| Interest Payable | 9 | - | 9 | - |
| Depreciation | 15,922 | - | 15,922 | 17,024 |
| Governance Costs | | | | |
| Accountancy Fees | 1,700 | - | 1,700 | 1,900 |
| Book-keeping & Payroll Fees | 5,850 | - | 5,850 | 5,400 |
| Consultancy Fees | 1,467 | - | 1,467 | 1,345 |
| | £363,172 | £53,269 | £416,441 | £298,088 |

The 2021 total of £298,088 is comprised wholly of Unrestricted Funds.

9. Net Movement in Funds

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| The net movement in Funds is stated after charging/(crediting): | | |
| Depreciation of Owned Fixed Assets | 15,922 | 17,024 |
| Independent Examiner's Fees – Independent Examination | 1,100 | 1,100 |
| Independent Examiner's Fees – Other Services | 600 | 800 |

SPANISH THEATRE COMPANY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
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10. Staff Costs & Directors' Remuneration

| | 2022 | 2021 |
|----------------------------------|-----------------|-----------------|
| | £ | £ |
| Gross Salary Costs | 110,701 | 101,994 |
| Employer's National Insurance | 4,794 | 5,998 |
| Employer's Pension Contributions | 2,757 | 2,498 |
| | £118,252 | £110,490 |

No employee received remuneration of more than £60,000 during the year (2021 - Nil).

The charity defines Key Management Personnel as the Trustees and the members of the Senior Management Team. Remuneration of £86,017 (2021: £77,744), including employer's pension contributions, was paid by the charity during the year to Key Management Personnel.

The average number of staff employed during the year, calculated as full-time equivalents, was as follows:

| | 2022 | 2021 |
|---------------------------------|-------------|-------------|
| | No | No |
| Artistic Production and Support | 3 | 3 |

Employer contributions totalling £2,757 (2021: £2,498) were paid during the year into the defined contribution pension scheme operated by STC in respect of the above staff. £2,488 in pension contributions were outstanding at 30 September 2022 (2021: £1,170).

No remuneration was paid to or waived by Trustees/Directors in the year (2021: £Nil) and no costs (2021: £Nil) were reimbursed to Trustees in respect of their attendance at meetings of the charity.

11. Pension Costs

Pension benefits are provided through a Group Personal Pension Scheme, which is a defined contribution scheme. The assets of the scheme are held separately from those of the company in a separately administered fund. STC makes an employer's contribution of 3% of pensionable pay, provided that the employee makes a minimum contribution of 5%.

These amounts are paid over to the scheme on a monthly basis.

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12. Tangible Fixed Assets

| | Leasehold Improvements | ICT & Office Equipment | Fixtures & Fittings | Total Fixed Assets |
|-----------------------|---------------------------|---------------------------|------------------------|-----------------------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 October 2021 | 132,197 | 3,718 | 83,914 | 219,829 |
| Additions | - | 1,761 | - | 1,761 |
| At 30 September 2022 | 132,197 | 5,479 | 83,914 | 221,590 |
| Depreciation | | | | |
| At 1 October 2021 | 42,593 | 2,985 | 29,721 | 75,299 |
| Charge for year | 8,813 | 1,001 | 5,844 | 15,658 |
| At 30 September 2022 | 51,406 | 3,986 | 35,565 | 90,957 |
| Net Book Value | | | | |
| At 30 September 2022 | £80,791 | £1,493 | £48,349 | £130,633 |
| At 1 October 2021 | £89,604 | £733 | £54,193 | £144,530 |

13. Intangible Assets – Film - The House of Bernardo Alba

| | Total £ |
|-----------------------|--------------|
| Cost | |
| At 1 October 2021 | 2,700 |
| Additions | - |
| At 30 September 2022 | 2,700 |
| Depreciation | |
| At 1 October 2021 | 2,436 |
| Charge for year | 264 |
| At 30 September 2022 | 2,700 |
| Net Book Value | |
| At 30 September 2022 | £- |
| At 1 October 2021 | £264 |

SPANISH THEATRE COMPANY
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14. Stock

| | 2022 | 2021 |
|------------------|---------------|---------------|
| | £ | £ |
| Goods for Resale | 1,786 | 2,293 |
| | £1,786 | £2,293 |

15. Debtors

| | 2022 | 2021 |
|-----------------|----------------|----------------|
| | £ | £ |
| Trade Debtors | 7,080 | 1,955 |
| Accrued Income | 48,747 | 48,747 |
| VAT recoverable | 9,266 | 11,727 |
| Prepayments | 14,071 | 10,167 |
| | £79,164 | £72,596 |

All sums are due within 1 year.

16. Creditors – Amounts Falling Due Within 1 Year

| | 2022 | 2021 |
|--------------------------------------|-----------------|-----------------|
| | £ | £ |
| Former Director's Loan (see Note 18) | 12,000 | 12,000 |
| Trade Creditors | 237,547 | 151,556 |
| Other Taxes & Social Security Costs | 3,047 | 1,541 |
| Pension Scheme Creditor | 2,488 | 1,170 |
| Deferred Income | 1,012 | 4,322 |
| Other Creditors | 1,140 | 1,575 |
| Accruals | 1,366 | 1,500 |
| | £258,600 | £173,664 |

Deferred income comprises sponsorship, grants and ticket income relating to the programme of events in the next financial year.

17. Creditors – Amounts Falling Due After 1 Year

| | 2022 | 2021 |
|--------------------------------------|----------------|----------------|
| | £ | £ |
| Former Director's Loan (see Note 18) | 52,000 | 64,000 |
| | £52,000 | £64,000 |

18. Loans

Loans comprise a loan, originally of £113,000, from a former Director/Trustee, which is repayable in monthly instalments of £1,000 from June 2021. £64,000 remains outstanding at 30 September 2022 (2021: £76,000). The loan is interest-free.

SPANISH THEATRE COMPANY
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19. Analysis of Net Assets between Funds

| | Unrestricted Funds | Restricted Funds | Total 2022 | Total 2021 |
|-------------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Fixed Assets | 130,633 | - | 130,633 | 144,794 |
| Stock | 1,786 | - | 1,786 | 2,293 |
| Debtors | 79,164 | - | 79,164 | 72,596 |
| Cash at Bank and In Hand | 15,864 | - | 15,864 | 78,585 |
| Creditors – Due Within 1 Year | (258,600) | - | (258,600) | (173,664) |
| Creditors – Due After 1 Year | (52,000) | - | (52,000) | (64,000) |
| | £(83,153) | £- | £(83,153) | £60,604 |

20. Analysis of Charitable Funds

| | Fund at 1 October 2021 | Incoming Resources in Year | Resources Expended in Year | Fund at 30 Sept 2022 |
|---------------------------|---------------------------------------|---|---|-------------------------------------|
| | £ | £ | £ | £ |
| Unrestricted Funds | 60,604 | 223,825 | (367,582) | (83,153) |
| Restricted Funds | | | | |
| Accion Cultural Espanola | - | 53,269 | (53,269) | - |
| Total Funds | £60,604 | £277,094 | £(420,851) | £(83,151) |

| Name of Restricted Fund | Description, Nature & Purpose of the Restricted Fund |
|--------------------------------|--|
| Accion Cultural Espanola | Sponsorship towards the costs of the following work - Happiness (production), Canción para un niño descalzo (dramatised reading), La función por hacer / The Play To Be Played (production), Broken Toys (dramatised reading), Fuenteovejuna (dramatised Reading), Black, el payaso / Black the Clown (production) |

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21. Financial Commitments

No material financial commitments have been made in respect of future financial periods.

22. Company Limited by Guarantee

The company was under the control of its Trustees in the current and previous financial years.

The charity is incorporated under the Companies Act 1985 and is limited by guarantee, each member having undertaken to contribute such amounts not exceeding £1 as may be required in the event of the company being wound up whilst he or she is still a member or within one year thereafter.

There are currently 7 members of the company (2021: 6).