
THEATRE503 LIMITED
(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

THEATRE503 LIMITED
(A company limited by guarantee)

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THEATRE503 LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees	Erica Whyman OBE, Chair Royce Bell, co-Vice Chair Sabrina Clarke-Okwubanego (appointed 8 September 2020) Celine Gagnon, co-Vice Chair Eleanor Lloyd Emma Rees (appointed 25 June 2020) Geraldine Sharpe-Newton (resigned 17 November 2020) Luke Shires (appointed 25 June 2020) Jack Tilbury Zena Tuitt Roy Williams OBE
Company registered number	05694721
Charity registered number	1115555
Registered office	Theatre503 503 Battersea Park Road London SW11 3BW
Executive Director / Company Secretary	Andrew Shepherd
Artistic Director / Chief Executive	Lisa Spirling
Accountants	MHA MacIntyre Hudson Chartered Accountants 2 London Wall Place London EC2Y 5AU

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the financial statements of the Charity for the 1 April 2020 to 31 March 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

In shaping the theatre's objectives for the year and planning its activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance on public benefit and fee charging. The theatre relies on grants and the income from fees and charges to cover its operating costs.

In setting the level of fees, charges and concessions, the Trustees give careful consideration to the accessibility of the theatre for those on low incomes.

Affordability and access to the programme are important to Theatre503 and the work produced is intended to be enjoyed by all ages, both locally, London and UK wide.

The programme of activities described in this report focuses very much on embedding the activity of Theatre503 within Wandsworth.

b. Strategies for achieving objectives

The strategies employed to achieve the charity's aims and objectives are to:

- develop, produce, present and support a wide variety of theatre productions for the enjoyment and education of a diverse audience demographic;
- identify and support the very best debut and emerging writers to stage their first productions, performed to the highest professional standard;
- break down all barriers to writing, staging, participating in and seeing work;
- be the best practice model for early career playwrights and new writing practice through the 503 Studio;
- become a sustainable, dynamic and flexible business able to adapt to an ever- changing future landscape.

Putting these strategies into action the theatre has three major areas of activity which are:

- Stage productions; and
- Literary development programmes (503 Studio); and
- Participation and accessibility in the local community

The programme of activities described in this report focuses very much on embedding the activity of Theatre503 within Wandsworth.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

c. Activities for achieving objectives

This year has been, as for many venues and organisations across the country, the most challenging in our history. Paradoxically, it has seen Theatre503 deliver on its most ambitious business plan aims since Lisa Spirling and Andrew Shepherd took over the venue in 2016. The successful bid for the 503Studio at Nine Elms, and a radical overhaul of a long outdated business and programming model that will see the burden of hire fees eliminated from incoming companies, a new structure to the year's programme, a new investment fund and an online writers programme. It is a testament to both the leadership and resilience of the team and board, that the theatre emerged from its darkest hour with a bold plan for the future.

In the initial stages of closure and lockdown Theatre503 focussed on communication with audiences and companies, supporting the closure or postponement of shows and accessing all forms of support including the Government's furlough scheme and applying for an Emergency Grant from ACE, which we received.

From April the organisation operated on a skeleton team of 4 part time staff - Artistic Director, Executive Director, Literary Manager and Associate Director, plus two trainee assistant producers. We temporarily ended freelance contracts but reinstated them on a reduced basis on receipt of ACE funding. Two staff members, the Producer and General Manager remained furloughed throughout most of the year, switching to flexible furlough later on.

We were able to begin a road to recovery with the receipt of DCMS Cultural Recovery Funding which enabled us to keep the organisation going into the next financial year and continue our online activities and begin to plan, tentatively for our re-opening.

After months of planning, drafting, preparing and rehearsing – 4 years in the making – we were thrilled to announce that Theatre503 will have a lasting legacy in the form of the 503Studio at Nine Elms. We are due to take possession in early 2023 and will have a permanent space to develop diverse writers of the future from all over the world and on our doorstep to feed into our Latchmere space. We are also committing to make our Latchmere home physically accessible as part of the same transformation project.

It is with increased accessibility in mind that we also eliminated the charging of hire fees to production companies when we re-open. This has been a long held ambition since we set out our four year vision, and one which the impact of Covid-19 on the freelance community has made a financial and moral imperative.

If we are to truly break down barriers to who gets to put work on the stage, it must start with the finances. While the burden of raising funds for productions will still be on incoming companies for most of our programme, we will reduce their liability by 25%. This is something which ACE agreed to fund during our 2019/20 season as a wider pilot and it is also one of the core elements which drives the case for support for our new Slate investment fund and wider general support of the venue.

Not only are we making it easier to stage work, the fund also allows us to invest in the future life of many more productions, so that when the next Mountaintop, Rotterdam, Wolfie and J'Ouvert emerge – we are ready. Furthermore it also gives Theatre503 a much greater level of artistic support and intervention in the work, ensuring all our longer run productions (and the shorter ones) match the ambition and quality of our in house shows.

This is not a decision we have taken lightly and have considered the financial implications very carefully. It has been achieved by restructuring our programming year so that we will no longer programme 4 week runs, as standard – instead offering a 20 night/3 week run for most incoming shows. They will get the same production process, but the production will incur one week less in running costs. It will also increase their average ticket yield where an average of 833 tickets per show is now 70% capacity, up from 53% capacity. We will also introduce a livestreaming element to each longer production, where possible, which will not only serve as a

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

potential income stream but showcase work around the world. All our shorter runs will be moved to set periods in the year (January and June/July) to free up capacity to focus on maximising ticket income and best quality productions.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance

a. Key performance indicators

- Over 400 early career writers participated in the 503Studio: Writers Programme in Autumn and Spring
- 9,605 schoolchildren and 1,158 general audiences watched our first ever livestreamed production
- We shortlisted 1,755 scripts from 49 countries to 5 finalists and an eventual winner, Pravin Wilkins for the 2020 Theatre503 International Playwriting Award
- We continue to receive and read unsolicited scripts, with over 500 still being sent in during the height of the pandemic
- We hosted online Zoom sessions with hundreds of our freelance community around the year to check in, share information and speak more openly about Theatre503's programming policies and plans for the future

b. Stage performances

Whilst we were unable to stage performances in the venue to an audience this year, we were able to trial our first every livestreamed production.

The Fairytale Revolution

On Thursday 17th December 9,605 children from across the borough of Wandsworth watched our live streamed panto, followed by 1325 audiences over 5 nights when we opened to the public. The following week. The New York Times in its article on 'Silly Season: How British Pantomime Looks From Across The Pond' celebrated "an all-female take on Peter Pan, that had a feminist slant while keeping the genre's building blocks. I enjoyed its shambolic, riot grrrl attitude". The cast and creatives, as well as the 503 team did a brilliant job delivering the show. The ambition of the team was realised by the wonderful Chocolate Films, a local social enterprise. We were incredibly proud of the achievement, the reach and the art. We were also able to secure a £15,000 grant from Wandsworth Council to support the production.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

c. Education, community, literary and artist development

The 503Studio Writers Programme

In Autumn 2020 we launched into an online Writer programme, building on our in-person pilot in 2019. It has proven wildly successful with spaces selling out in less than 2 days, and an advanced booking list which has some courses with waiting lists of up to 5 years. It is a reflection of how few courses exist that don't have some sort of entry criteria, this has also been echoed in the feedback from course participants across the globe – in particular North America.

These online courses and masterclasses have opened our virtual doors to hundreds of emerging writers from across the UK and beyond. They have reconnected us firmly with our alumni, as well as helped us to build connections with the wider industry. Writers include Jasmine Lee Jones, Brad Birch, Stephen Beresford, Beth Steel, David Eldridge, Tanya Ronder, Simon Stephens and Sabrina Mahfouz (to name a few). Our Share the Drama scheme and initial support from CRF and Emergency Funding means that finance will never be a barrier to attending and we are committing to always offer 25% of our places for free. The team have worked particularly hard to ensure that writers from underrepresented groups are able to access the courses.

By the end of Year 1 of the programme we will have already exceeded our Year 3 income target and when we are able to return to a full programme this will translate into covering the costs of the freelance teachers, the current literary team (with room to grow) and making a contribution to the rest of Theatre503's core running costs. It is also fair to say there is considerable growth potential, not least in terms of our bespoke 1-2-1 dramaturgical service around the world and the courses themselves. Each course and masterclass already has a roadmap to how to keep writers engaged with all the other aspects of our 503 Studio Writer Development strands, and we will continue to strengthen these ties and evolve the programme over time.

Digital Rapid Write Response

As *Paper Cut* by Andrew Rosendorf was about to open at 503 before our enforced closure, we explored what could be done to share the play and give access to the writer and the writing, whilst at the same time not diluting the potential future life of the play by moving it all online when the resources to ensure quality aren't yet in place. 503 produced a digital Rapid Write Response for *Paper Cut* which was incredibly successful. 144 writers from across the country and beyond watched a Zoom reading of the play and a Q&A with the writer. This led to 81 submissions, that were narrowed down to 9 pieces. These were rehearsed and recorded remotely by a volunteer community of directors and actors. We then did our first Your Tube Premiere with 324 people watching on the night. Throughout this time there have been challenges but also many positives and a key one is how the use of digital can open up access to the building and increase our reach.

ImagiNation

Another positive initiative was a new partnership with Theatre Centre on the ImagiNation Project. 19 writers (some established, some our alumni and some our emerging 503 writers, for whom this was their first ever commission) wrote a response to lockdown, these short plays were shared with the nation for them to read, rehearse and perform to camera.

The August Bank Holiday weekend saw the culmination of ImagiNation. Over 500 participants took the plunge to pick one of the brilliant 19 plays and to film themselves with their friends and family. Each day of the bank holiday there was a You Tube premiere of the pieces and a post show talk with the writers. The pieces were genuine, generous and wonderful.

International Playwriting Award

From over 1,700 plays from 45 countries down to 5 extraordinary finalists. The plays were submitted in January, with a team of readers narrowing down the submissions until we went from over 1,700 to 200, then down to 30 and to our final five. The Five finalists were Ayad Andrews (UK), Gina Stevensen (US), Pravin Wilkins (US), Safaa Benson-Effiom (UK) and Zoe Ashford Cooper (Australia). We were delighted to have on our panel Caro

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

Newling, Roy Williams, Vinay Patel, Sam Marlowe, Daniel Evans with Erica and Lisa. Pravin Wilkins from the US was chosen for his brilliant play *Moreno*.

503Five

We were able to deliver three out of five R&D processes on our current five writers' drafts and have two more planned for March and April. These have been key for the writers' personal development and for their scripts. The opportunity to be in a room with a director and brilliant actors and to hear their words out loud continues to prove invaluable. Alongside their plays, Benedict Lombe, Zak Mahinfar, John Berry, Joel Tan and Annie Jenkins were meeting numerous industry figures for inspiration and advice.

We have just received 548 applications for the 2021-22 residency. Applicants send in the idea for the play they've always wanted to write, a 10 page example of their current work and answer some questions about where they are at in their practice, what support they need and what inspires them. This new intake will start with us in Autumn 2021.

It is fitting that at the time we were looking for our next 503Five, *J'Ouvert* by Yasmin Joseph, one of our 03Five alumni, was in rehearsal for filming as part of the BBC Arts showcase and was due to have a West End run in May 2021 as theatres reopen, as part of Sonia Friedman Productions' Re:Emerge season.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

d. Factors relevant to achieve objectives

Artistic values

- Diversity begins with who is telling the stories and informs how we run our venue throughout the year
- Theatre503 is aware that artistic tastes are not the same for everyone. The theatre therefore tries to make clear the themes and issues that the work contains on its website and in marketing materials.
- Theatre503 takes the views of audiences very seriously and without compromising the integrity of the programme, seeks to respect the diverse ethnic, faith, sexual orientation, and lifestyles of the community and audience.

Pricing policy

- The theatre's pricing policy reflects its strategy of enabling all within its community, whatever their means, to take part in its activities and to attend the theatre. We increased top price tickets to £17 (£18 on the door) and our Christmas show to £19 in consultation with the Board
- Theatre503 continues to be on a par with, or cheaper than, other London theatres of similar size.
- A concession ticket of £12 is available to students, senior citizens, members of Equity and BECTU.
- The same discount is available to those with access issues, with a free ticket for a companion.
- For every production running for 3 weeks residents of SW11 visiting 503 for the first time can receive 2 tickets for £2
- Customers are retained by offering £10 tickets on all productions thereafter.
- There are also 5 x £5 available for all evening shows after Press Nights

Accessibility

- Our Share the Drama Scheme means we subsidise around 58% of our tickets
- Theatre503's customers are given the opportunity to "Pay what you Can" for performances on Saturday matinees, ensuring work is accessible to all, regardless of income.
- Parent & Baby Matinees and Relaxed performances continue to build an audience
- Trustees recognise the restrictions the current premises pose to some visitors and continue to seek to improve accessibility in areas where the opportunity exists.

Despite the challenges of Covid-19, we remain determined to stay true to our core mission of finding, nurturing and supporting the very best new writers in the world. The writers are the foundation on which we will build our recovery and demonstrate Theatre503's essential contribution to the country's creative industry.

Financial review

a. Going concern

- After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, in the understanding of the increased risk posed as a result of the pandemic. For this reason they continue to adopt the going concern basis in preparing the financial statements..

b. Reserves policy

- In March 2011 Trustees agreed to holding reserves sufficient for three months running costs, valued at £24,000 and broken down as to Salaries of £21,000, Overheads of £2,000 and Technical & Maintenance of £1,000.
- A review will take place during 2021/22

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

c. Principal funding

- The majority of the charity's income has continued to derive from in house and curated production box office income and hire fees with support from Arts Council England, The Carne Trust, Wandsworth Borough Council, Concord Theatrical, The Oak Foundation and individual donors.

Structure, governance and management

a. Constitution

Theatre503 Limited was incorporated on 1 February 2006 under the Companies Act 1985 as a private company limited by guarantee, having no share capital, and its objects and regulations are governed by its Memorandum and Articles of Association.

Charitable status was granted on 24 July 2006 under registered number 1115555. The principal objects of the Charity are to promote, maintain, improve and advance education particularly by the promotion of educational plays and the encouragement of the Arts including the arts of Drama, Music, Singing and Movement.

There have been no changes in the objectives since the last annual report.

b. Methods of appointment or election of Trustees

As per the Memorandum and Articles of Association of the Charity, new Trustees are appointed by ordinary resolution.

Not less than fourteen nor more than thirty five days before the date of the meeting, the Charity is given a notice that is signed by a member entitled to vote at the meeting; which states the member's intention to propose the appointment of a person as a Trustee; which contains the details that, if the person were to be appointed, the Charity would have to file at Companies House and which is signed by the person who is to be proposed to show his or her willingness to be appointed.

c. Risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Theatre503 operates a Risk Register covering Finance, Premises, Audiences, Product, Staffing and Capacity which is reviewed regularly by Trustees. The Artistic Director and Executive Director review operating risk during operations meetings and the Trustees interrogate changes in risk as they occur.

Members' liability

The Members of the Charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Royce Bell
co-Vice Chair (Trustee)

Date: 31 January 2022

THEATRE503 LIMITED
(A company limited by guarantee)

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Independent examiner's report to the Trustees of Theatre503 Limited ('the Charity')

We report to the charity Trustees on our examination of the accounts of the Charity for the year ended 31 March 2021.

Responsibilities and basis of report

As the Trustees of the Charity (and 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 ourselves that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, we report in respect of our examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out our examination we have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. We confirm that we are qualified to undertake the examination because we are a member of (enter body here), which is one of the listed bodies.

We have completed our examination. We confirm that no matters have come to our attention in connection with the examination giving us cause to believe:

1. accounting records were not kept in respect of the Charity 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 and 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 (FRS 102)].

We 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.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an Independent examiner'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 Charity and the Charity's Trustees as a body, for our work or for this report.

Signed:

John Coverdale

Dated: 31 January 2022

FCA (ICAEW)

MHA MacIntyre Hudson
Chartered Accountants
2 London Wall Place
London
EC2Y 5AU

THEATRE503 LIMITED
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Charitable activities	3	79,380	214,032	293,412	402,770
Investments	4	-	17	17	30
Total income		79,380	214,049	293,429	402,800
Expenditure on:					
Charitable activities	5	77,819	153,790	231,609	432,470
Total expenditure		77,819	153,790	231,609	432,470
Net income/(expenditure)		1,561	60,259	61,820	(29,670)
Transfers between funds	14	(2,000)	2,000	-	-
Net movement in funds		(439)	62,259	61,820	(29,670)
Reconciliation of funds:					
Total funds brought forward		13,439	14,969	28,408	58,078
Net movement in funds		(439)	62,259	61,820	(29,670)
Total funds carried forward		13,000	77,228	90,228	28,408

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 15 to 27 form part of these financial statements.

THEATRE503 LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 05694721

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	10	16,491	18,634
		16,491	18,634
Current assets			
Debtors	11	41,302	21,267
Cash at bank and in hand		58,728	35,194
		100,030	56,461
Creditors: amounts falling due within one year	12	(23,293)	(42,687)
Net current assets		76,737	13,774
Total assets less current liabilities		93,228	32,408
Creditors: amounts falling due after more than one year	13	(3,000)	(4,000)
Net assets excluding pension asset		90,228	28,408
Total net assets		90,228	28,408
Charity funds			
Restricted funds	14	13,000	13,439
Unrestricted funds	14	77,228	14,969
Total funds		90,228	28,408

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

THEATRE503 LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 05694721

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Royce Bell
(Trustee)

Date: 31 January 2022

The notes on pages 15 to 27 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

The Charity is a company limited by guarantee, incorporated in England & Wales, company number 05694721, having its registered office at 503 Battersea Park Road, London, SW11 3BW.

The members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

Charitable status was granted on 24 July 2006 by the Charity Commission of England & Wales, registered number 1115555.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Theatre503 Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.4 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 institution with whom the funds are deposited.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Other fixed assets	- over ten years on cost
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2.6 Debtors

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

2.7 Cash at bank and in hand

Cash at bank and 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.

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.9 Financial instruments

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

2.10 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.11 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 Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Investment income, gains and losses are allocated to the appropriate fund.

THEATRE503 LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3. Income from charitable activities

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Productions	21,341	41,250	62,591
Education and community	24,000	23,302	47,302
Development	34,039	149,480	183,519
Total 2021	79,380	214,032	293,412
	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Productions	196,493	129,090	325,583
Education and community	19,866	19,473	39,339
Development	13,877	23,971	37,848
<i>Total 2020</i>	<i>230,236</i>	<i>172,534</i>	<i>402,770</i>

4. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income - local cash	17	17
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment income - local cash	30	30

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Core	-	149,506	149,506
Productions	57,421	-	57,421
Education and community	5,439	-	5,439
Development	14,959	4,284	19,243
Total 2021	77,819	153,790	231,609
	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Core	-	188,867	188,867
Productions	185,094	-	185,094
Education and community	42,226	-	42,226
Development	-	16,283	16,283
<i>Total 2020</i>	<i>227,320</i>	<i>205,150</i>	<i>432,470</i>

THEATRE503 LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Core	-	149,506	149,506
Productions	57,421	-	57,421
Education and community	5,439	-	5,439
Development	19,243	-	19,243
Total 2021	82,103	149,506	231,609

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Core	-	188,867	188,867
Productions	185,094	-	185,094
Education and community	42,226	-	42,226
Development	16,283	-	16,283
Total 2020	243,603	188,867	432,470

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Projects and productions	62,860	227,320
Fees	19,243	16,283
	82,103	243,603

Analysis of support costs

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Analysis of expenditure by activities (continued)

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	118,297	131,799
Depreciation	2,143	2,143
Theatre and building	7,799	18,783
Marketing and development	3,759	9,954
Fees	7,623	9,093
Finance	9,659	12,581
General administration	226	4,514
	149,506	188,867

7. Independent examiner's remuneration

	2021 £	<i>2020 £</i>
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	3,000	3,000
Fees payable to the Charity's independent examiner in respect of: All other services not included above	960	960

8. Staff costs

	2021 £	<i>2020 £</i>
Wages and salaries	108,749	116,427
Social security costs	7,448	10,787
Contribution to defined contribution pension schemes	2,100	4,585
	118,297	131,799

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. Staff costs (continued)

The average number of persons employed by the Charity during the year was as follows:

	2021 No.	2020 No.
Operations	2	2
Creatives	4	4
	<hr/> 6 <hr/>	<hr/> 6 <hr/>

No employee received remuneration amounting to more than £60,000 in either year.

The Trust Charity considers its Key Management personnel comprise:

- Trustees
- Artistic Director
- Executive Director

The total amount of employee benefits received by Key Management Personnel was £51,276 (2020: £57,699).

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

10. Tangible fixed assets

	Other fixed assets £
Cost or valuation	
At 1 April 2020	22,920
At 31 March 2021	<hr/> 22,920 <hr/>
Depreciation	
At 1 April 2020	4,286
Charge for the year	2,143
At 31 March 2021	<hr/> 6,429 <hr/>

THEATRE503 LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Tangible fixed assets (continued)

	Other fixed assets £
Net book value	
At 31 March 2021	16,491
	<hr/>
At 31 March 2020	18,634
	<hr/>

11. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	22,400	807
Production holding accounts	-	1,558
Tax recoverable	18,902	18,902
	<hr/>	<hr/>
	41,302	21,267
	<hr/>	<hr/>

12. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	19,738	16,229
Production holding accounts	555	23,458
Accruals and deferred income	3,000	3,000
	<hr/>	<hr/>
	23,293	42,687
	<hr/>	<hr/>

13. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Accruals and deferred income	3,000	4,000
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
General Funds - all funds	<u>14,969</u>	<u>214,049</u>	<u>(153,790)</u>	<u>2,000</u>	<u>77,228</u>

General Fund

The general fund meets the reserve of £24,000 in the policy set out by Trustees. The remainder has been retained to allow a fund for future projects, productions and organisational development where fundraising falls short. Restricted Funds Representing grants and donations from a number of sources for productions, community and organisational development where funds have been restricted to a particular project or ongoing fund.

Restricted Funds

Representing grants and donations from a number of sources for productions, community and organisational development where funds have been restricted to a particular project or ongoing fund.

Restricted funds

Restricted Funds - all funds	<u>13,439</u>	<u>79,380</u>	<u>(77,819)</u>	<u>(2,000)</u>	<u>13,000</u>
Total of funds	<u><u>28,408</u></u>	<u><u>293,429</u></u>	<u><u>(231,609)</u></u>	<u><u>-</u></u>	<u><u>90,228</u></u>

THEATRE503 LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2020 £</i>
Unrestricted funds				
General Funds - all funds	47,555	172,564	(205,150)	14,969
Restricted funds				
Restricted Funds - all funds	10,523	230,236	(227,320)	13,439
Total of funds	<u>58,078</u>	<u>402,800</u>	<u>(432,470)</u>	<u>28,408</u>

15. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
General funds	14,969	214,049	(153,790)	2,000	77,228
Restricted funds	13,439	79,380	(77,819)	(2,000)	13,000
	<u>28,408</u>	<u>293,429</u>	<u>(231,609)</u>	<u>-</u>	<u>90,228</u>

Summary of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2020 £</i>
General funds	47,555	172,564	(205,150)	14,969
Restricted funds	10,523	230,236	(227,320)	13,439
	<u>58,078</u>	<u>402,800</u>	<u>(432,470)</u>	<u>28,408</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	16,491	16,491
Current assets	13,000	87,030	100,030
Creditors due within one year	-	(23,293)	(23,293)
Creditors due in more than one year	-	(3,000)	(3,000)
Total	13,000	77,228	90,228

Analysis of net assets between funds - prior year

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	18,634	18,634
Current assets	13,439	43,022	56,461
Creditors due within one year	-	(42,687)	(42,687)
Creditors due in more than one year	-	(4,000)	(4,000)
Total	13,439	14,969	28,408

17. Pension commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

The pension cost charge represents contributions payable by the Charity to the fund and amounted to £2,100 (2020: £4,585).

No amounts (2020: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

18. Related party transactions

The total amount of donations made by trustees or connected parties without conditions during the year was £9,300 (2020: £10,003).

One of the trustees provided advances totalling £NIL (2020: £15,000) to support the charity's cash flow, of which £15,000 (2020: £15,000) was outstanding at the end of the year.

There were no other material related party transactions requiring disclosure during the period (2020: £Nil).