

THEATRE503 LIMITED
(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

THEATRE503 LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1
Trustees' report	2 - 8
Independent examiner's report	9
Statement of financial activities	10
Balance sheet	11 - 12
Notes to the financial statements	13 - 26

THEATRE503 LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees	Erica Whyman OBE, Chair Royce Bell, Vice Chair Celine Gagnon, Vice Chair Sabrina Clarke-Okwubanego (resigned 22 September 2022) Eleanor Lloyd Ollie Raggett (appointed 1 March 2022) Emma Rees Luke Shires Jack Tilbury Zena Tuitt Roy Williams OBE
Company registered number	05694721
Charity registered number	1115555
Registered and principal operating office	503 Battersea Park Road London SW11 3BW
Executive Director	Jules Oakshett (Andrew Shepherd until 24 November 2022)
Artistic Director	Lisa Spirling
Independent Examiners	MHA MacIntyre Hudson Chartered Accountants 2 London Wall Place London EC2Y 5AU

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the financial statements of the Theatre503 Limited for the year ended 31 March 2022.

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 is important to Theatre503 and the work it produces is intended to be enjoyed by all ages, both locally, London and UK wide.

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, working nationally and internationally, 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 development of the 503Studio;
- 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 (1-to-1 dramaturgical support, Online Writers Programme, 503Studio); 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 2022

Objectives and activities (continued)

c. Activities for achieving objectives

The headline of this year was the successful re-opening of Theatre503, the return to full programming and continuing our mission of launching early career playwrights and the artists who bring their words to life. The trustees would like to acknowledge the phenomenal commitment and dedication of the team and their continued hard work and perseverance in meeting the challenges of the post-pandemic landscape with creativity and flair, and responding to the needs they are hearing from writers, producers, audiences, and the wider sector generally. However, we, like the remainder of the industry, continued to be impacted by the pandemic both in terms of legal limitations, covid cancellations and the impact of sickness and absences on productions.

The first half of the year was focussed on preparing for re-opening of the theatre and the Online Writers Programme, including the public announcement of our successful bid for our new space and our intent to adjust our operating model to eliminate hire fees. The impact of this made a significant difference to Theatre503 both in terms of industry recognition and the work we were now able to programme this year and beyond.

The restructuring of our programming year went beyond hire fees towards a fundamental overhaul of how we operate in our space – shifting from a model which relied on being open almost 365 days of the year, to a scheduling approach to create more dedicated time and resource on each production. We reduced our longer runs to three weeks in recognition of the realities of marketing a fringe production and introduced a new livestreaming programme as both a response to the realities of post-pandemic audiences and in line with the emerging streaming model across the industry.

We also extended tech and get in days, eliminating evening tech sessions – with a rigorous focus on wellbeing and better work life balance. In addition, we moved our shorter runs to more concentrated parts of the year, embracing a festival approach curated by our Associates and Trainee Producers.

We appointed architects Takero Shimazaki and project managers Plann to lead our Capital project for the development of our new studio space. Thanks to the generosity of one of our long-term funders, Philip Carne, we were able to fund the design of both the 503Studio at Nine Elms and a physically accessible Latchmere space up to RIBA Stage 3. In addition, we began work on our case for support.

In October 2021 Theatre503 won the **London Pub Theatre of the Year** at the London Pub Theatre Awards and we were nominated for Fringe Theatre of the Year in the 2022 Stage Awards, for the first time in our history.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance

a. Key performance indicators

- 900 early career writers participated in the Online Writers Programme this year
- 31 early career writers had their work staged in the 6 months we were back open
- 16,000 audiences watched our work online and in person

b. Stage performances

We celebrated the transfer of Yasmin Joseph's award winning **J'Ouvert** into the West End thanks to Sonia Friedman Productions, also filmed by BBC Arts. Fellow 503Five alumnus and double Olivier Award winner Jon Brittain's cult classic, **Maggie Thatcher Queen of Soho**, also made its West End debut, eight years after premiering at 503.

We opened our doors in the Autumn with **503Resets**, offering a free space to seven emerging companies and playwrights to find their feet again after the pandemic. The companies were chosen from **94 submissions** and played to **75% capacity audiences**.

Foxes by Dexter Flanders opened to outstanding reviews in October, before sadly being cancelled for the final 10 days of the run due to Covid-19. It was streamed as part of our new 503Live! series, committing to widening access to Theatre503's work by streaming live performances of our longer runs, in partnership with Chocolate Films, a local social enterprise. The production transferred to Theatre Peckham and then to Seven Dials Playhouse.

Milk and Gall directed by Lisa Spirling, has launched a glorious new voice. "*Mathilde Dratwa is the real deal*" (Jesse Thompson, Evening Standard) and her "*impressive debut is a hoot*" according to Nikita Karia's four-star review in The Stage. With a company led by MyAnna Buring, the play was a finalist in the 2018 Theatre503 International Playwriting Award, chosen out of 2055 scripts sent in from 49 countries.

Our Panto **Snow White** by Lucy Wilson was curtailed by the pandemic and Omicron, but not before being livestreamed to over 10,000 local schoolchildren for free.

We ended our financial year with the world premiere of **Moreno** by Pravin Wilkins – winner of the Theatre503 2020 International Playwriting Award, chosen from over 1700 submissions sent in from 45 countries.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance (continued)

c. Education, community, literary and artist development

Our Online Writers Programme continues to reach aspiring voices around the world with places being fully subscribed on most courses. The 503Five 2021-22 were chosen from 548 applicants. They are Dare Aiyegbayo, Kaamil Shah, Martha Reed, Sorcha McCaffrey and Tabby Lamb. Of the outgoing cohort, we programmed Zach Mahinfar's commission, and found a coproducer for Joel Tan and Jon Berry. Benedict Lombe made her debut at The Bush.

Rapid Write Response also returned when we re-opened and thanks to the work of our Associate Director and Trainee Producers has made a step-change in how it is run and the impact on participants – it has opened a pathway to future collaborations and opportunities with early career artists.

In partnership with Wandsworth Council, we offered the second iteration of our local Right to Write project that offers a free 7 part 'introduction to playwriting course' for residents of Nine Elms. This is a continuation of our connection with this area and is part of the building blocks of outreach for the Nine Elms Studio. In this iteration we offered a bespoke package of future support for a year, including production tickets, other online writers programme courses and masterclasses, and invitation to continue developing their writing up to Rapid Write Response submissions and, if possible, taking them further.

We received 165 applications for our Trainee Producer Scheme – the first time it has been offered as a paid scheme. Hadeel Elshak and Myles Sinclair were the successful candidates.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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 4 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. Reserves policy

The Trustees aim to reach and maintain a designated operational reserve equivalent to three months running costs originally valued at £26,000 and broken down as to Salaries of £21,000 and £5,000 of operational costs. In the current landscape it is challenging to balance meeting this reserves policy alongside supporting the needs of writers, artists and audience but the Trustees continue to work towards achieving this target.

b. 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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

c. Reserves

Total reserves held at the end of the financial year were £58,565 of which £48,401 were restricted and £10,164 were unrestricted.

d. Principal funding

The majority of the charity's income has continued to derive from box office income, tax credit claims from HMRC, as well as grants from Arts Council England/DCMS, The Carne Trust, Wandsworth Borough Council, Concord Theatrical, The Orseis Trust 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 2022

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 year. 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.

The Trustees' Annual Report has been prepared in accordance with the provisions applicable to entities subject to the small companies' regime, was approved by order of the members of the board of Trustees and signed on their behalf by:

Royce Bell
Vice Chair (Trustee)

Date: 27 March 2023

THEATRE503 LIMITED
(A company limited by guarantee)

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

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 2022.

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 ICAEW, 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

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

Dated: 28 March 2023

FCA (ICAEW)

THEATRE503 LIMITED
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Charitable activities	3	271,069	180,986	452,055	293,412
Investments	5	-	4	4	17
Total income		271,069	180,990	452,059	293,429
Expenditure on:					
Charitable activities	6	225,668	258,054	483,722	231,609
Total expenditure		225,668	258,054	483,722	231,609
Net income/(expenditure)		45,401	(77,064)	(31,663)	61,820
Transfers between funds	15	(10,000)	10,000	-	-
Net movement in funds		35,401	(67,064)	(31,663)	61,820
Reconciliation of funds:					
Total funds brought forward		13,000	77,228	90,228	28,408
Net movement in funds		35,401	(67,064)	(31,663)	61,820
Total funds carried forward		48,401	10,164	58,565	90,228

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

The notes on pages 13 to 26 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	19,559	16,491
		<u>19,559</u>	<u>16,491</u>
Current assets			
Debtors	12	61,318	41,302
Cash at bank and in hand		40,994	58,728
		<u>102,312</u>	<u>100,030</u>
Creditors: amounts falling due within one year	13	(61,306)	(23,293)
Net current assets		<u>60,565</u>	<u>93,228</u>
Total assets less current liabilities		<u>60,565</u>	<u>93,228</u>
Creditors: amounts falling due after more than one year	14	(2,000)	(3,000)
Total net assets		<u><u>58,565</u></u>	<u><u>90,228</u></u>
Charity funds			
Restricted funds	15	48,401	13,000
Unrestricted funds	15	10,164	77,228
Total funds		<u><u>58,565</u></u>	<u><u>90,228</u></u>

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 2022

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

Royce Bell
Vice-Chair (Trustee)

Date: 27 March 2023

The notes on pages 13 to 26 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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), 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 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.

2.3 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.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

Creative industry tax relief claims are recognised to the extent that claims are expected to be made and accepted in relation to qualifying expenditure incurred in the year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.4 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.

2.5 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.

2.6 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
--------------------	--------------------------

2.7 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.

2.8 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 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.

2.12 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
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Income from charitable activities

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Productions	109,232	130,164	239,396
Education, Community & Development	61,837	50,822	112,659
Capital project	100,000	-	100,000
Total 2022	271,069	180,986	452,055

	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Productions	21,341	41,250	62,591
Education, Community & Development	58,039	172,782	230,821
<i>Total 2021</i>	<i>79,380</i>	<i>214,032</i>	<i>293,412</i>

Education, Community and Development activities have been combined as a single heading to better represent the model of operations the charity is now adopting.

4. Government grants

	2022 £	2021 £
Arts Council England	96,527	141,030
Wandsworth Council	8,898	17,341
Coronavirus Job Retention Scheme	1,347	22,816
	106,772	181,187

There were no unfulfilled commitments or other contingencies associated with the above grants at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Bank interest received	4	4	17
	<u> </u>	<u> </u>	<u> </u>
<i>Total 2021</i>	<u>17</u>	<u>17</u>	

6. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total 2022 £
Productions	110,624	234,742	345,366
Education, Community & Development	50,837	23,312	74,149
Capital project	64,207	-	64,207
	<u> </u>	<u> </u>	<u> </u>
Total 2022	<u>225,668</u>	<u>258,054</u>	<u>483,722</u>

	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total 2021 £</i>
Productions	57,421	104,119	161,540
Education, Community & Development	20,398	49,671	70,069
	<u> </u>	<u> </u>	<u> </u>
<i>Total 2021</i>	<u>77,819</u>	<u>153,790</u>	<u>231,609</u>

THEATRE503 LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Productions	178,248	167,118	345,366
Education, Community & Development	13,279	60,870	74,149
Capital project	64,207	-	64,207
Total 2022	255,734	227,988	483,722

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Productions	68,921	92,619	161,540
Education, Community & Development	13,182	56,887	70,069
Total 2021	82,103	149,506	231,609

THEATRE503 LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Productions 2022 £	Education, Community & Development 2022 £	Total funds 2022 £
Staff costs	102,084	48,380	150,464
Depreciation	2,968	-	2,968
Theatre and building	18,262	-	18,262
Fees	27,586	450	28,036
Marketing, administration and finance	16,218	12,040	28,258
Total 2022	167,118	60,870	227,988

	Productions 2021 £	Education, Community & Development 2021 £	Total funds 2021 £
Staff costs	67,223	51,074	118,297
Depreciation	2,143	-	2,143
Theatre and building	7,799	-	7,799
Fees	7,623	-	7,623
Marketing, administration and finance	7,831	5,813	13,644
Total 2021	92,619	56,887	149,506

Governance costs have been included with the 'Marketing, administration and finance' category above and totalled £6,000 in the current year (2021: £3,960). The breakdown of governance costs can be found in Note 8 below.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. Independent examiner's remuneration

	2022 £	2021 £
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	3,900	3,000
Fees payable to the Charity's independent examiner in respect of:		
All assurance services not included above	1,200	-
All other services not included above	900	960
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. Staff costs

	2022	2021
	£	£
Wages and salaries	138,153	108,749
Social security costs	7,938	7,448
Contributions to defined contribution pension schemes	4,373	2,100
	150,464	118,297

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

	2022	2021
	No.	No.
Operations	2	2
Creatives	5	4
	7	6

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 £57,535 (2021: £51,276).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).

THEATRE503 LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Tangible fixed assets

	Other fixed assets £
Cost or valuation	
At 1 April 2021	22,920
Additions	6,036
At 31 March 2022	28,956
Depreciation	
At 1 April 2021	6,429
Charge for the year	2,968
At 31 March 2022	9,397
Net book value	
At 31 March 2022	19,559
<i>At 31 March 2021</i>	<i>16,491</i>

12. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	10,308	22,400
Tax recoverable	51,010	18,902
	61,318	41,302

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	44,018	19,738
Other taxation and social security	9,897	-
Other creditors	3,191	555
Accrued expenses	4,200	3,000
	<u>61,306</u>	<u>23,293</u>

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

	2022 £	2021 £
Deferred capital grant	<u>2,000</u>	<u>3,000</u>

The deferred capital grant is being amortised to income at the rate of £1,000 per year to mirror depreciation charged on the fixed assets to which it relates.

THEATRE503 LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Unrestricted funds					
General Fund	77,228	180,990	(258,054)	10,000	10,164

General Fund

The general fund at 31 March 2022 fell short of the reserve of £26,000 identified as being required in the policy set out by Trustees. However, the general fund was increased by £35,793 as this was released from the Capital Project fund with the agreement of the donor subsequent to the end of the year, in April 2022.

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Restricted funds					
Arts Council England	-	96,527	(96,527)	-	-
Wandsworth Council	-	8,898	(8,898)	-	-
Trusts, foundations and private donations	13,000	28,333	(18,725)	(10,000)	12,608
Amortisation	-	1,000	(1,000)	-	-
Production contributions	-	36,311	(36,311)	-	-
Capital project	-	100,000	(64,207)	-	35,793
	13,000	271,069	(225,668)	(10,000)	48,401

Restricted Funds

Arts Council England provided Cultural Recovery funding that has been spent across all activities; Wandsworth Council provided support for the productions **Fairytale Revolution** and **Snow White**.

Trusts, foundations and private donations are funding the Associate Director salary, Education & Community activities and the Capital project.

Visiting companies provide funding for co-productions.

Oseis Trust agreed that their grant of £5,000, previously restricted to Education & Community activities, could be transferred to unrestricted activities post-pandemic; the remaining transfer of £5,000 represents a correction of the original allocation of unrestricting funding for 503Slate.

Total of funds	90,228	452,059	(483,722)	-	58,565
-----------------------	---------------	----------------	------------------	----------	---------------

THEATRE503 LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2021 £</i>
Unrestricted funds					
General Fund	14,969	214,049	(153,790)	2,000	77,228
Restricted funds					
Arts Council England	-	24,789	(24,789)	-	-
Wandsworth Council	-	17,341	(17,341)	-	-
Trusts, foundations and private donations	13,439	36,250	(34,689)	(2,000)	13,000
Amortisation	-	1,000	(1,000)	-	-
	13,439	79,380	(77,819)	(2,000)	13,000
Total of funds	28,408	293,429	(231,609)	-	90,228

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	19,559	19,559
Current assets	48,401	53,911	102,312
Creditors due within one year	-	(61,306)	(61,306)
Creditors due in more than one year	-	(2,000)	(2,000)
Total	48,401	10,164	58,565

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
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	<u>13,000</u>	<u>77,228</u>	<u>90,228</u>

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 £4,373 (2021: £2,100).

Contributions of £3,191 (2021: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

18. Related party transactions

The aggregate amount of donations made by trustees or connected parties without conditions during the year was £5,000 (2021: £9,300).

Eleanor Lloyd, a trustee, provided advances of £15,000 during the year to 31 March 2020 to support the charity's cash flow as part of the initial move to the new operating model, of which £15,000 (2021: £15,000) was outstanding at the end of the year.

Jack Tilbury, a trustee, is a director of Plann Ltd appointed as project managers to lead our Capital project for the development of our new studio space. As at 31 March 2022 there had been no payments to Plann Ltd nor invoices raised by that company.

There were no other material related party transactions requiring disclosure during the period (2021: None).