

**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 2020**

**SPANISH THEATRE COMPANY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT**  
*For the year ended 30 September 2020*

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 2020.

**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Registered charity name</b>	Spanish Theatre Company
<b>Charity registration number</b>	1163231
<b>Company registration number</b>	09212765
<b>Registered office</b>	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)	
Coral Davies	Resigned 29 January 2020
Andrew Dyson	Resigned 3 February 2020
Mikel Benito	Appointed 11 October 2019
Malcolm Carpenter	Appointed 22 June 2020
Gloria Gomez	
Elena Lasa-Ayani	

<b>Bankers</b>	HSBC Bank PLC, 5 Wimbledon Hill Road, Wimbledon, London SW19 7NF
<b>Independent Examiner</b>	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.

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**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 five 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 Director (Jorge de Juan). He is responsible for most of the key activities of the charity including the content of artistic programme, fundraising and regulatory compliance within the theatre.

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**STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont.)**

**Key Management Personnel**

The trustees consider the board of Trustees and the Artistic Director 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 Unrestricted Reserves of £87,096 at 30 September 2020, thereby providing a modest extra level of contingency.

The Charity has been able to achieve its desired level of Reserves through its budgeting and actively managing its costs. 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.

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*For the year ended 30 September 2020*

**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 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, 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

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**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 in March 2020 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.

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*For the year ended 30 September 2020*

**ACHIEVEMENTS AND PERFORMANCE**

The year to 30 September 2020 was the fourth full financial year since the opening of our permanent home at the Cervantes Theatre.

This year has been a very complex year due to the outbreak of the Coronavirus pandemic. The Cervantes Theatre had to close its doors on 17 March 2020 and therefore adapt the artistic plans for the year significantly. We could say that there has been satisfactory crisis management and the Board of Trustees has been monitoring and supporting this process along the way.

We could divide the financial year in two, pre-Covid, which would cover from October until 16 March and post-Covid which would cover from 17 March until the end of September.

**Artistic Output**

**1st half of the Financial Year:**

In October 2019 we opened with great success the UK premiere of *The House of the Spirits*, a theatre adaptation by Caridad Svich of the famous novel by Isabel Allende. We staged it in Spanish and in English and due to popular demand we had to extend the run (28th October - 14th December).

At the beginning of 2020 we had another very successful four weeks run at the Cervantes Theatre of our most popular production, *The House of Bernarda Alba*, and, straight after, we also had planned our first UK tour that would see this production playing in Birmingham, Leeds, Belfast and Bristol. The performances in Birmingham and Leeds were very well-received, and this allowed us to reach people that geographically wouldn't have been able to see high quality Spanish theatre in Spanish and also to build relationship with regional theatres that gave us a wonderful feedback and expressed their intentions to keep building a relationship with us and keep bringing our work to them. Unfortunately, the last two performances of the tour (Belfast and Bristol) had to be cancelled due to the outbreak of the Coronavirus pandemic and the forced closure of all the theatres in the UK and Northern Ireland.

This was a major impact that saw not only the tour cancelled but also our permanent venue, the Cervantes Theatre, closed and our plans for the rest of the year on hold. We started to work on managing the crisis, reducing the financial impact and build artistic and financial strategies that would see the Spanish Theatre Company get through this crisis while fulfilling its mission and vision and continuing serving the public.

**2nd half of the Financial Year:**

Once we minimised the risks and the financial impact to the maximum we started planning how could we keep engaging with our audiences while the theatre was closed and at a time in which a whole country in lockdown was in danger of isolation, exclusion and in more need than ever of culture, entertainment and connexion.

This led to the development of a digital strategy that had accessibility and innovation at its core. We could divide the digital strategy in three different kind of strands:

1. In Conversations
2. Online Dramatised Readings
3. Filmed productions for our Educational Programme

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**ACHIEVEMENTS AND PERFORMANCE (Cont.)**

In our In Conversations we organised a series of online talks in English with some of the most prominent Spanish playwrights. This was a way to promote Spanish playwrights and their work and to encourage our audiences to get to know their work better and to engage in a conversation with them through the Q&As. This has proven to be of great interest to our audiences and we will keep them as part of our future programmes.

Our online dramatised readings have been extremely innovative in form and varied in content. They are a step between a dramatised reading and a theatre production and a mix between theatre and audiovisual. This allowed us to safely go back into the theatre for rehearsals and filming while the theatre was closed for public performances. Our aim with this project was to keep promoting Spanish playwrights and sharing their amazing range of work, to keep offering high quality theatre in an audiovisual format that is appealing and new and also to keep creating work for actors, creatives and technicians that saw how all their work for the year had been cancelled due to the pandemic. After each reading we also had a Q&A with the playwright, the translator and part of the creative team. This is also a format that will remain as part of the programme as it allows us to reach more people that we would normally with live performances.

With our Educational Programme we had already started an online platform that would allow 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.

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

1. Overcoming this crisis and keeping the theatre afloat.

We have managed to secure the future of the Cervantes Theatre beyond the 2020 crisis by minimising cash outgoings and by securing emergency grants to support the theatre during this time in which it needs to remain closed for its normal activity.

2. Audience Development

We keep working towards developing our audiences. This year, even with the theatre closed for half of the year, we could say that we have achieved quite a lot in terms of audience development.

With *The House of Bernarda Alba* we managed to increase not only the number of young audiences that came to see the show at the Cervantes Theatre during a full 4 week run but we also managed to develop and reach new audiences outside London with the UK tour.

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.

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**ACHIEVEMENTS AND PERFORMANCE (Cont.)**

3. Development of an innovative digital strategy

Since the outbreak of the pandemic that saw the temporary closure of the theatre, we started developing a digital strategy for the theatre in order to be able to connect with our audiences at this critical time when it was very much needed to be as close as possible with them.

With the online dramatised readings we have been able to offer a unique format that mixes theatre and audiovisual languages and that has proven to be very appealing and successful.

4. Access

Our journey towards increasing accessibility has continued this year. First of all, the tour of The House of Bernarda Alba has allowed us to overcome the geographical barriers that many theatre goers were experiencing because of the physical distance of the theatre to their location within the UK.

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.

5. Supporting freelance artists

This was one of the priorities and achievements of the year. When the pandemic started one of the biggest concerns was how to support part of the industry that are freelancers and were lacking support during this crisis. Through our digital programme we have been able to give work to actors, creatives and technicians and help maintain the theatrical ecosystem.

**Financial Review**

The financial out-turn for the year is an overall unrestricted surplus of £53,290 (2019: Unrestricted deficit of £(483), leaving a balance on Unrestricted Funds of £87,096 at 30 September 2020.

The Trustees consider the financial performance of the charity to be satisfactory.

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**PLANS FOR FUTURE PERIODS**

Our plan for the future sees the Spanish Theatre Company and the Cervantes Theatre growing from strength to strength 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 have the intention of applying to become an Arts Council England National Portfolio Organisation in 2022 and 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 2020 and 2021 will be years of uncertainty caused by the pandemic and that we will have to plan with both care and ambition in order to navigate this exceptional time in history.

Here is an outline of the plans for the next financial year that will go from October 2020 until September 2021:

**October 2020 – December 2020:**

Autumn Season of online dramatised readings filmed at the theatre and streamed online accompanied by post show Q&As with the playwrights, translators and creative teams.

**January 2021 – March 2021:**

Direct Your Future - a support programme for young artists. We will select 6 emerging directors (between 18 and 25 years old) and we offer them the opportunity to develop their craft with a package of a week of free rehearsal space at the theatre, a mentorship programme and a fee.

Online Dramatised Readings - We will continue filming and streaming online dramatised readings throughout the year.

In Conversation - We will keep hosting online conversations with renowned Spanish, Latin American and British theatre artists.

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**PLANS FOR FUTURE PERIODS (CONTINUED)**

**April 2021 – June 2021:**

First Production of the year if we are able to reopen the doors for public performances without restriction.

Online Dramatised Readings - We will continue filming and streaming online dramatised readings throughout the year.

In Conversation - We will keep hosting online conversations with renowned Spanish, Latin American and British theatre artists.

**July 2021 – September 2021**

Second Production of the year

Online Dramatised Readings - We will continue filming and streaming online dramatised readings throughout the year.

In Conversation - We will keep hosting online conversations with renowned Spanish, Latin American and British theatre artists.

We are also developing other projects that will include audio dramas of Spanish plays that will open our offer alongside our digital work and will allow us to continue working towards making our plays more accessible.

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**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 stylized flourish at the end.

**Graham Watts OBE**  
**Trustee**  
**Company Registration Number 09212765**

**9 February 2021**

## **INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS ON THE UNAUDITED ACCOUNTS OF SPANISH THEATRE COMPANY LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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 2020 set out on pages 14 to 26.

### **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.

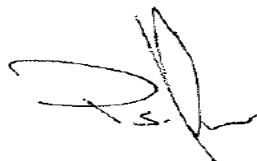
### **Independent Examiner's Statement**

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

**9 February 2021**

**SPANISH THEATRE COMPANY**  
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**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
<b>Income</b>					
Income from Donations & Legacies	3	2,396	-	2,396	60,182
Income from Charitable Activities	4	351,160	27,924	379,084	315,244
Income from Trading Activities	5	9,030	-	9,030	14,246
		<b>362,586</b>	<b>27,924</b>	<b>390,510</b>	<b>389,672</b>
<b>Expenditure</b>					
Expenditure on Raising Funds	6	5,278	-	5,278	6,809
Expenditure on Charitable Activities	7	304,018	27,924	331,942	383,346
		<b>309,296</b>	<b>27,924</b>	<b>337,220</b>	<b>390,155</b>
<b>Net Income/(Expenditure)</b>		<b>53,290</b>	<b>-</b>	<b>53,290</b>	<b>(483)</b>
Balance brought forward at 1 October		33,806	-	33,806	34,289
<b>Balance carried forward at 30 September</b>		<b>£87,096</b>	<b>£-</b>	<b>£87,096</b>	<b>£33,806</b>

The notes on pages 16 to 26 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 2020**

	Notes	2020 £	2019 £
<b>Fixed Assets</b>			
Tangible Fixed Assets	11	160,654	176,348
Intangible Assets	12	1,164	2,064
		<u>161,818</u>	<u>178,412</u>
<b>Current Assets</b>			
Stocks/Work In Progress	13	2,367	827
Debtors	14	56,705	83,976
Cash At Bank & In Hand		82,807	13,631
		<u>141,879</u>	<u>98,434</u>
<b>Creditors – Amounts Falling Due Within 1 Year</b>	15	(140,601)	(145,896)
Net Current Assets/(Liabilities)		<u>1,278</u>	<u>(47,462)</u>
<b>Total Assets less Current Liabilities</b>		<b>163,096</b>	<b>130,950</b>
Creditors – Amounts Falling Due After 1 Year	16	(76,000)	(97,144)
<b>Total Net Assets</b>	18	<b>£87,096</b>	<b>£33,806</b>
<b>Represented by:</b>			
Unrestricted Reserves	19	87,096	33,806
Restricted Reserves	19	-	-
		<u>£87,096</u>	<u>£33,806</u>

The notes on pages 16 to 26 form part of the financial statements.

The Trustees are satisfied that for the year ended 30 September 2020 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 9 February 2021 and signed on their behalf:**



**Graham Watts OBE**  
**Trustee**  
**Company Registration Number 09212765**

**SPANISH THEATRE COMPANY**  
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**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**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.

**Going Concern**

There are no material uncertainties about the charity's ability to continue.

**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.

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**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**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**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**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.

**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.

**3. Income from Donations & Legacies**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donations	2,396	-	2,396	55,396
Gift Aid	-	-	-	4,786
	<b>£2,396</b>	<b>£-</b>	<b>£2,396</b>	<b>£60,182</b>

The 2019 total of £60,182 is comprised wholly of Unrestricted Funds.

**SPANISH THEATRE COMPANY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
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**4. Income from Charitable Activities**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Grant Income</b>				
Arts Council England	20,000	-	20,000	10,909
Coronavirus Job Retention Scheme	-	11,474	11,474	-
Southwark Council	25,000	-	25,000	-
ROSP Corunna	100,000	-	100,000	-
Royal Victoria Hall Foundation	-	2,000	2,000	-
London Community Response Fund	-	14,450	14,450	-
	<b>145,000</b>	<b>27,924</b>	<b>172,924</b>	<b>10,909</b>
<b>Earned Income</b>				
Cultural Events	-	-	-	545
Educational Activities	41,446	-	41,446	28,802
Ticket Sales	121,567	-	121,567	114,242
Sponsorship of Programme	35,530	-	35,530	121,999
Theatre Hire	6,938	-	6,938	27,610
Theatre Tax Relief	-	-	-	11,120
Other Earned Income	679	-	679	17
	<b>206,160</b>	<b>-</b>	<b>206,160</b>	<b>304,335</b>
	<b>£351,160</b>	<b>£27,924</b>	<b>£379,084</b>	<b>£315,244</b>

The 2019 total of £305,981 is comprised of £304,335 Unrestricted Funds and £10,909 Restricted Funds.

**5. Income from Trading Activities**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bar Takings	9,030	-	9,030	14,246
	<b>£9,030</b>	<b>£-</b>	<b>£9,030</b>	<b>£14,246</b>

The 2019 total of £14,246 is comprised wholly of Unrestricted Funds.

**SPANISH THEATRE COMPANY**  
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**6. Expenditure on Raising Funds**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2020 £</b>	<b>2019 £</b>
Bar Cost of Sales	5,278	-	5,278	6,809
	<b>£5,278</b>	<b>£-</b>	<b>£5,278</b>	<b>£6,809</b>

The 2019 total of £6,809 is comprised wholly of Unrestricted Funds.

**7. Expenditure on Charitable Activities**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Production &amp; Activity Costs</b>				
Staffing Costs	95,760	11,474	107,234	95,883
Production Costs	101,370	16,450	117,820	125,902
Event & Sponsorship Costs	93	-	93	2,113
Other Direct Costs	16,610	-	16,610	6,815
Advertising & Marketing	755	-	755	2,664
<b>Support Costs</b>				
Premises Costs	39,226	-	39,226	74,219
Repairs, Maintenance & Leased Equipment	4,809	-	4,809	24,799
Office Costs	9,563	-	9,563	10,005
Travel & Subsistence Costs	1,174	-	1,174	543
Irrecoverable VAT	5,725	-	5,725	12,300
Loan Interest	1,837	-	1,837	-
Depreciation	17,236	-	17,236	16,225
<b>Governance Costs</b>				
Accountancy Fees	1,500	-	1,500	1,500
Book-keeping Fees	4,450	-	4,450	-
Consultancy Fees	3,910	-	3,910	10,378
	<b>£304,018</b>	<b>£27,924</b>	<b>£331,942</b>	<b>£383,346</b>

The 2019 total of £383,346 is comprised of £372,437, Unrestricted Funds and £10,909 Restricted Funds.

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**8. Net Movement in Funds**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
The net movement in Funds is stated after charging/(crediting):		
Depreciation of Owned Fixed Assets	17,236	16,225
Independent Examiner's Fees – Independent Examination	1,100	1,100
Independent Examiner's Fees – Other Services	400	400

**9. Staff Costs & Directors' Remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Gross Salary Costs	99,211	88,981
Employer's National Insurance	5,937	5,323
Employer's Pension Contributions	2,086	1,579
	<b>£107,234</b>	<b>£95,883</b>

No employee received remuneration of more than £60,000 during the year (2019 - Nil).

The charity defines Key Management Personnel as the Trustees and the members of the Senior Management Team. Remuneration of £77,904 (2019: £69,663), 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:

	<b>2020</b>	<b>2019</b>
	<b>No</b>	<b>No</b>
Artistic Production and Support	3	3

Employer contributions totalling £2,086 (2019: £1,579) were paid during the year into the defined contribution pension scheme operated by STC in respect of the above staff. £465 in pension contributions were outstanding at 30 September 2020 (2019: £920).

No remuneration was paid to or waived by Trustees/Directors in the year (2019: £Nil) and no costs (2019: £Nil) were reimbursed to Trustees in respect of their attendance at meetings of the charity.

**SPANISH THEATRE COMPANY**  
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**10. 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.

**11. Tangible Fixed Assets**

	<b>Leasehold Improvements</b>	<b>Office &amp; ICT Equipment</b>	<b>Total Fixed Assets</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 October 2019	132,197	86,990	219,187
Additions	-	642	642
At 30 September 2020	<b>132,197</b>	<b>87,632</b>	<b>219,829</b>
<b>Depreciation</b>			
At 1 October 2019	24,967	17,872	42,839
Charge for year	8,813	7,523	16,336
At 30 September 2020	<b>33,780</b>	<b>25,395</b>	<b>59,175</b>
<b>Net Book Value</b>			
At 30 September 2020	<b>£98,417</b>	<b>£62,237</b>	<b>£160,654</b>
At 1 October 2019	<b>£107,230</b>	<b>£69,118</b>	<b>£176,348</b>

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**12. Intangible Assets – Film - The House of Bernardo Alba**

	<b>Total £</b>
<b>Cost</b>	
At 1 October 2019	2,700
Additions	-
At 30 September 2020	<u><b>2,700</b></u>
<b>Depreciation</b>	
At 1 October 2019	636
Charge for year	900
At 30 September 2020	<u><b>£1,536</b></u>
<b>Net Book Value</b>	
At 30 September 2020	<u><b>£1,164</b></u>
At 1 October 2019	<u><b>£2,064</b></u>

**13. Stock**

	<b>2020 £</b>	<b>2019 £</b>
Goods for Resale	2,367	827
	<u><b>£2,367</b></u>	<u><b>£827</b></u>

**14. Debtors**

	<b>2020 £</b>	<b>2019 £</b>
Trade Debtors	28,974	26,578
Other Debtors	-	2,676
Accrued Income – Theatre Tax Relief	-	11,118
Accrued Income - Other	-	25,991
VAT recoverable	7,014	1,127
Prepayments	20,717	16,486
	<u><b>£56,705</b></u>	<u><b>£83,976</b></u>

All sums are due within 1 year.

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**15. Creditors – Amounts Falling Due Within 1 Year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Loans (see Note 17)	7,200	3,000
Former Director's Loan (see Note 17)	12,000	12,000
Trade Creditors	81,068	59,448
Other Taxes & Social Security Costs	3,496	2,017
Pension Scheme Creditor	465	920
Deferred Income	14,894	15,770
Other Creditors	2,023	3,611
Accruals	19,455	49,130
	<b>£140,601</b>	<b>£145,896</b>

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

**16. Creditors – Amounts Falling Due After 1 Year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Loans (see Note 17)	-	9,144
Former Director's Loan (see Note 17)	76,000	88,000
	<b>£76,000</b>	<b>£97,144</b>

**17. Loans**

Loans comprise loans which are repayable in monthly instalments.

One loan, originally of £21,000, from two individuals, was repayable in monthly instalments from April 2019. £7,200 remains outstanding at 30 September 2020.

Total loan interest of £1,837 has been agreed with the lenders and included in expenditure to 30 September 2020.

The other loan, originally of £113,000, from a former Director/Trustee is repayable in monthly instalments of £1,000 from June 2019. £88,000 remains outstanding at 30 September 2020.

The loan is interest-free.

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**18. Analysis of Net Assets between Funds**

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Fixed Assets	161,818	-	161,818	178,412
Stock	2,367	-	2,367	827
Debtors	56,705	-	56,705	83,976
Cash at Bank and In Hand	82,807	-	82,807	13,631
Creditors – Due Within 1 Year	(140,601)	-	(140,601)	(145,896)
Creditors – Due After 1 Year	(76,000)	-	(76,000)	(97,144)
	<b>£87,096</b>	<b>£-</b>	<b>£87,096</b>	<b>£33,806</b>

**19. Analysis of Charitable Funds**

	Fund at 1 October 2019	Incoming Resources in Year	Resources Expended in Year	Fund at 30 Sept 2020
	£	£	£	£
<b>Unrestricted Funds</b>	<b>33,806</b>	<b>362,586</b>	<b>(309,296)</b>	<b>87,096</b>
<b>Restricted Funds</b>				
Coronavirus Job Retention Scheme	-	11,474	(11,474)	-
Royal Victoria Hall Foundation	-	2,000	(2,000)	-
London Community Response Fund	-	14,450	(14,450)	-
<b>Total Restricted Funds</b>	<b>-</b>	<b>27,924</b>	<b>(27,924)</b>	<b>-</b>
<b>Total Funds</b>	<b>£33,806</b>	<b>£390,510</b>	<b>£(337,220)</b>	<b>£87,096</b>

<b>Name of Restricted Fund</b>	<b>Description, Nature &amp; Purpose of the Fund</b>
Coronavirus Job Retention Scheme	Towards the salaries and on costs of furloughed staff
Royal Victoria Hall Foundation	Towards the costs of The House of Spirits
London Community Response Fund	Towards the costs of maintaining a programme of work during the Coronavirus pandemic

**SPANISH THEATRE COMPANY**  
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**20. Related Party Transactions**

Donations from Trustees amounting £19,000 were made to the charitable company in the year to 30 September 2019.

**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 5 members of the company (2019: 4).