

**THE ENGLISH STAGE COMPANY LIMITED**

**(A company limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

Registered Charity Number: 231242

Registered Company Number: 539332

**THE ENGLISH STAGE COMPANY LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**THE ENGLISH STAGE COMPANY LIMITED**

**TRUSTEES AND ADVISERS**

**FOR THE YEAR ENDED 31 MARCH 2022**

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**Principal Address and Registered Office**

Royal Court Theatre, Sloane Square, London, SW1W 8AS

**Trustees and advisors**

The Trustees who are also the directors of the company for the purpose of the Companies Act, form the Council of the English Stage Company Ltd.

Anthony Burton CBE (Chair)

Graham Devlin CBE (Vice-Chair)

Jeanette Arnold

Judy Daish (resigned 21<sup>st</sup> November 22)

Pamela Jikiemi

Mwenya Kawesha

James Midgley

Winsome Pinnock (resigned 21<sup>st</sup> November 22)

Andrew Rodger

Anita Scott

Lord Stewart Wood

Mahdi Yahya

**Senior Management Team**

**Executive**

Artistic Director and CEO - Vicky Featherstone

Executive Director - Lucy Davies

**Senior Managers**

Finance Director - Helen Perryer

General Manager - Catherine Thornborrow

Head of Production - Marius Rønning

**Company Secretary**

Lucy Glynn

**Auditors**

Goodman Jones LLP, 29/30 Fitzroy Square, London, W1T 6LQ

**Principal Bankers**

Barclays Bank, United Kingdom House, 7<sup>th</sup> Floor, 180 Oxford Street, London, W1D 1EA

**Solicitors**

Simons Muirhead & Burton,

8-9 Frith Street, Soho, London, W1D 3JB

**Other principal advisors**

Wrightsure Services Ltd, t/a Performers, Wrightsure House, 799 London Road, West Thurrock, Essex, RM20 3LH

## Chair's Report

The aim in this year was to get back to our confident, ambitious and writer-led programming as quickly as possible after the pandemic. It is testament to the team, the shows and the writers that we were able to have such ground-breaking and celebrated work as well as a dynamic and focused writer development programme. We were proud to be able to respond quickly and meaningfully to the outbreak of war in Ukraine with a live-streamed reading of our 2017 play *Bad Roads* and present some rapid response plays from writers living in Ukraine.

One of the main strategic focus' over this year was developing and submitting our NPO application, to apply for the next round of ACE funding in line with the new national Let's Create strategy with the threat that we were heading for a 15% cut in line with the government's Levelling Up Strategy of moving money out of London.

We were successful with our application for NPO funding for 2023 -2026 and with a 5% reduction. A sustainable and innovative business model supports the Royal Court's artistic programme, but it is undoubtedly tested by a decade of flat line public funding. The practice of well-controlled expenditure, prudent forecasting, energetic fundraising, diverse partnerships and seeking robust commercial activity continues to be pushed to plug that gap but longer term we need to find new business models to sustain the theatre.

Our presence in Sloane Square continues to grow with another season of Court in the Square which remains a game-changer for the Court in terms of new opportunities and financial resilience for the Bar and Kitchen.

The year was not without its challenges, including the controversy around the naming of a character in one of our productions. This has thrown up one of the more challenging chapters in the Court's story, but I would like to thank the board and the staff for their resilience, integrity and fearlessness in looking at the root of the problem and challenging themselves and the organization with characteristic humility and moral clarity. It has however undoubtedly taken its toll on the staff and team.

Although we have more challenging times ahead I would like to thank Vicky Featherstone, Lucy Davies and Helen Perryer for their confident leadership and for keeping the programme alert, inclusive and relevant whilst dealing with the many challenges that running a prominent and world-leading theatre throws at us in these times, with such remarkable stamina and flair.



**Anthony Burton CBE**  
**Chair**

24-03-23

**Date:.....**

# THE ENGLISH STAGE COMPANY LIMITED

## REPORT OF THE COUNCIL

### FOR THE YEAR ENDED 31 MARCH 2022

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The following sections represent the strategic report for the year ended 31 March 2022.

**Structure, Governance and Management**  
**Objectives and Activities of the Charity**  
**Achievements, Performance and Future Plans**  
**Financial Review**  
**Reserves and Policy Statements**

#### **Structure, Governance and Management**

The registered charity which is a company limited by guarantee incorporated on 16 October 1954, is governed by its memorandum and articles of association. As at 31 March 2022, there were 12 guarantors whose liability in the event of a winding up is limited to £10 each. These accounts are prepared in accordance with SORP 2015 and the Companies Act 2006.

There is a Council of between five and 20 Trustees. For the purpose of company law, the Trustees are the Directors of the company and are non-executive and unpaid. During the financial period under review, the Trustees met four times. There is one sub-committee for Finance and General Purposes and a Development Council. The Finance and General Purposes Sub-Committee and Development Council are made up of Directors and other professionals. Both operate under specific terms of reference with certain functions delegated by the Trustees. Each has its decisions discussed by the full Council. The trading subsidiary for the catering operation also has a Board, which meets quarterly made up of Directors, the Executive team, and other professionals.

The Chief Executive (and Artistic Director - not a director as defined by the Companies Act 2006) is appointed by the Trustees to manage the programming, operations and staff of the company working with the Executive Director / Producer. Together with the Finance Director, these three form the Executive Team.

Trustees are elected by the members of the company at the Annual General Meeting. The English Stage Company Ltd (ESC) Council opts to appoint its Trustees for an unlimited period but regards that appointment as being a three-year appointment, renewable for further terms of three years. The Council meets to review and agree all new appointments in order to secure the best industry and professional expertise. The Council has adopted a policy on governance that incorporates training and trustees' responsibilities.

The Council meets to review the activity of the company and to advise the Executives responsible for carrying out the day-to-day activity of the company.

#### **Trustee induction and training**

New trustees undergo an orientation to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

#### **Pay policy for senior staff**

The Chief Executive and Executive Director review the pay of the employees annually in line with peer organisations of a similar size and consider responsibility levels, London Living Wage and inflation as well as affordability. The recommended pay increases are included in the annual budget that is taken to Finance and General Purposes Committee for approval where salaries are discussed in more detail.

The Finance and General Purposes Committee review the pay of the Executive and other senior staff periodically.

## THE ENGLISH STAGE COMPANY LIMITED

### REPORT OF THE COUNCIL (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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#### **Risk management**

As previously noted, Covid-19 brought an entirely new chapter to our risk register and this continues to be adapted as the circumstances change. The risks associated with a fundamental change in the habits of audiences, ticket income, and disruption to shows as a result of differing priorities around illness and wellbeing as a result of the pandemic, will be with us for some years.

The fundamental systemic risks that our risk review process has revealed are the ongoing challenges of managing standstill core funding and the deferred nature of Theatre Tax Relief payments. The latter in particular holds the risk of an impact on cash flow.

The other major risk for the charity is the unpredictable nature of fundraising income, particularly in uncertain political and world market times, which impact on corporate behaviours and investment portfolios. A balanced budget relies on an ambitious fundraising target, often before the detailed Production activity of the year has been decided. The Trusts and Foundations portfolios are concentrating more and more on work outside London which makes the location of our theatre an interesting challenge.

Our Risk Management Policy includes building issues as a risk to the organisation: the renewal of the lease (signed in July 2022), the shared usage of the alleyway running beside the building giving access to our stage door and dock, and the dilapidation of the stage technology and building systems as well as increased pressure from climate challenges such as flooding and heat.

A fundamental risk to the charity in these times, as an organisation that is built on asking difficult questions about the world we live in means we will undoubtedly fall into the social media tumult of differing opinions. The controversy around the mis-naming of a character in one of our productions has thrown up one of the more challenging chapters in the English Stage Company's story. Recommendations from a board report that was created after investigating the root of this issue has led to strategies being put in place with the board and Executive team to mitigate something like this happening again.

Strategies are in place at the highest level to support and offset risks, including proactive stakeholder liaison, long-term contingency planning, and a flexible producing model that allows us to respond to external impacts.

The trustees have a risk management strategy that comprises:

- an annual review of the principal risks and uncertainties that the charity and its subsidiaries face as laid out in the risk register
- the establishment of policies, systems and procedures to mitigate those risks as laid out in the risk register
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise

#### **Our objectives and activities**

The Royal Court Theatre is the writers' theatre. It is the leading force in world theatre for finding writers and producing new plays that are original, contemporary and provocative. The Royal Court's mission is to be meaningfully engaged with civic, political, domestic and international life; giving writers a home in which to tackle big ideas and tell extraordinary stories, and to share their work with the widest possible audience.

The purposes of the charity are:

- to advance the education of the public in all aspects of world class contemporary playwriting
- to cultivate, train and develop new playwriting talent, diversifying pathways to writing for the stage
- the development of public appreciation of art by the provision of theatre and the presentation of public

## THE ENGLISH STAGE COMPANY LIMITED

### REPORT OF THE COUNCIL (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2022

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- performances; and
- to further the social and cultural welfare of the communities in which we work throughout London

The vision that shapes our annual activities has been consistent for 60 years, and this year was Year Four of a four-year strategic and business plan approved by the Board and Arts Council England.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit. The theatre relies on Arts Council England funding, fundraising income and the revenue from tickets and trading to cover its operating costs. Affordability and access is critical to us in setting pricing.

We endeavour to represent and encourage all those within London's communities to attend or take part. We work with local and Greater London schools and many higher education institutions across the UK.

The strategies employed to achieve the charity's aims and objectives in the year ended 31 March 2022 were to:

- Continue to Sustain the workforce as we emerge from the pandemic
- Reinstate the postponed work from 2020, only reopening our Theatre Upstairs from December 2021 in order to mitigate losses in that smaller space.
- Stage Jasmine Lee-Jones' seven methods of killing kylie jenner in a reconfigured Downstairs auditorium to allow for socially distant audiences on both sides of the stage, T
- The production has been invited to NY and Washington in Jan / Feb / Mar 2022 and we will film it for on-demand online viewing in the Winter of 2021/22.
- Continue a pipeline of talent through writer development activity
- Cultivate fund-raising support for innovative projects in a challenging context
- Support schools and young people stricken by Covid related isolation and frustrated learning
- Read up to 3,000 plays and continue commissioning new works
- Work in collaboration with the sector across the UK to disseminate our skills and share practice
- Actively promote and celebrate the diversity of cultures in our society by working with artists of different backgrounds, and supporting atypical artists to make work with us and for us

### **Achievements and Performance**

#### **Talent Development and Work on Stage**

2021/22 continued to be a very challenging year as we were still emerging from CRF funding related activities and the pandemic but with many aspects that had so curtailed our ambitions in 2020/2021 still having an effect.

Remarkably, during 2021/22 we reinstated all of the postponed work from 2020. We decided only to reopen the Jerwood Theatre Upstairs from December 2021 in order to mitigate losses. We began with Jasmine Lee-Jones' seven methods of killing kylie jenner in a reconfigured downstairs auditorium to allow for socially distant audiences on both sides of the stage. The production was postponed from its US visit to New York and Washington in Jan / Feb / Mar 2022 as Covid prevented it from happening and we filmed it for on-demand online viewing in the Winter of 2021/22. It is scheduled to go to New York and Washington in January 2023.

From September we resumed full house productions in the Jerwood Theatre Downstairs.

We co-produced with two theatres the Abbey in Dublin and Theatre Clwyd in Wales

Our work for this year included:

IS GOD IS by Aleshea Harris – directed by Ola Ince, originally produced in the US.

WHAT IF IF ONLY by Caryl Churchill – a 15 minute short from one of our leading writers played alongside Is God Is

## THE ENGLISH STAGE COMPANY LIMITED

### REPORT OF THE COUNCIL (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2022

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MARYLAND by Lucy Kirkwood - script-in-hand – a rapid response piece to the murder of Sarah Everard by a policeman and played with a changing company of performers over 3 weeks. This is also scheduled to be filmed for the BBC.

RARE EARTH METTLE by Al Smith - programmed to coincide with COP26 – directed by Hamish Pirie

A FIGHT AGAINST by Pablo Manzi translated by William Gregory - filmed and streamed into Santiago a Mil Festival, Chile – an International commission directed by Sam Pritchard

THE GLOW by Alistair McDowall

PURPLE SNOWFLAKES AND TITTYWANKS by Sarah Hanly - co-produced with the Abbey Theatre, Dublin

TWO PALESTINIANS GO DOGGING by Sami Ibrahim

In addition we presented work by the Queer Upstairs writers group, hosted a week of plays and talks around our Living Archive enquiry, and co-produced ISLA by Tim Price with Theatr Clwyd, opening there in October 2021. We will produce our first play as part of our collaboration with Sister Pictures in Feb 2022 in the Theatre Upstairs.

We also responded to the War in Ukraine by hosting a reading of our play Bad Roads by Natalka Vorozhbit and a series of readings by contemporary playwrights in response to the war in Ukraine called On the War.

We ran nine writers groups during the year, working with 88 writers leading to performances on stage with new plays and exciting partnerships with organisations within theatre and the arts more widely. The groups included three Introduction to Playwriting groups for brand new writers selected through open application. In addition, we ran groups with several partners: Sister Pictures, The Queer House, Black Atlantic Project, Outside Edge, Intermission and Clean Break and also ran a group focusing on dramaturgy with disabled artists.

We began a piece of work looking at our archive and asking writers to respond to the Royal Court plays they feel deeply connected to in ways that might feel playful or challenging. This culminated in commissions and performances and will expand to an online space in the coming months. This work was the start of a project to create a Living Archive. This will support the mission of the Royal Court to provide a platform for the best writers – new, emerging and established – to challenge, disrupt and question. We received generous funding from Bloomberg Philanthropies to start this project and we have been invited to make a full application for a long-term digital platform. Bloomberg Philanthropies would fund the set up and support for two years when we hope the archive will become embedded as part of the work we do.

The Royal Court produced flagship works during the year and continued to make an impact on writers, artists and audiences, responding to the world we live in. The scale and focus of the Court's development of writing talent is unsurpassed in the theatre ecology.

#### **Reach and Inclusion**

The programme is deliberately diverse, expansive and broad - we are as ambitious for developing our audiences as we are for our artists. We aim to draw an audience that is representative of London and increase attendance by those with access needs.

In 2021/22 from the 258 people who responded to our data collection, 67% identify as female, and 40% black, global majority or of mixed heritage. 5% of our artists were deaf or disabled.

58% of the writers we commissioned were Black and Global Majority. 69% were women. 9% were disabled. The work leads, and writers have a very important enfranchised voice in the culture of our organisation.

Our Board is 40% Black and Global Majority, 40% identify as female, 10% are disabled. Our workforce is not yet fully representative of the city: 60% white identifying.

The impacts of Covid-19 will exacerbate inequalities and implement barriers for audiences which we have spent years dismantling. We know that working class theatre-makers are experiencing profound poverty and leaving the sector



## THE ENGLISH STAGE COMPANY LIMITED

### REPORT OF THE COUNCIL (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2022

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already - unprotected by the Equalities Act, this is an area where we are committed to action.

We have been shocked to learn and experience first hand the amount of freelancers, artists and technicians as well as those just starting out in theatre that have chosen or have been forced to leave the profession. We are committed to growing fees, creating better work/life balance, and giving more opportunities to those with barriers from entering the profession than ever before, while acknowledging that these choices will put new strains on the business and artistic model of the organisation.

The critical role for cultural organisations is to rebuild a confident recovery with social justice and inclusion at the centre. As we enter ACE's Let's Create strategy, this crisis fast-tracks the principles of creativity and culture building better, fairer, more resilient communities. The provocative, contemporary, responsive mission of the Royal Court is the unique privilege of this organisation and why we must and will weather this devastating crisis for the arts so we can contribute and sustain the sector.

#### **International Work**

Digital working across the artistic team enabled international writers to join digital writers groups for the first time, and to participate fully in Living Newspaper and other core projects. Our major invitational writers group included writers from China, the US, Peru and Singapore alongside artists for the UK. And voices from Palestine, Chile, Peru, China, Lebanon, Belarus, the US, India and Austria took part in Living Newspaper.

Understandably planned in-person workshops in Japan, Palestine and the Caribbean were postponed but work with writers was able to continue in a virtual format. We also forged new partnerships: developing a relationship with PuSh Festival in Canada and obtaining money from the High Commission to deliver a new exchange project; with the Taiwan Cultural Division and the National Theatre of Taiwan; with the Norwegian cultural office paying to translate Norwegian plays into English with the idea of developing a new project; and with Pro Hevetia (Swiss Arts Council) running an online residency for a major Swiss artist during lockdown.

#### **Funders and Partners**

As we continue to recover from the pandemic, much of our activity continues to be supported by generous funders, partners, and supporters. A considerable amount of our play development work is underpinned through grants from Trusts & Foundations. Jerwood Arts continued to support our Jerwood New Playwrights, bringing forward the final grant payments from 20/21 as well as supporting our young writer's group through Outside Edge.

Our participatory work received funding from Trusts as well, including The Backstage Trust, Noel Coward Foundation, and Charles Skey Charitable Trust. Production support for Rare Earth Mettle was also provided by Trusts from Cockayne and the Edgerton Foundation. Support from individuals remained our largest fundraised income stream. After a slight decrease in membership income last year, this line has remained steady and we have seen a continued increase in gifts from major donors, including the first year of our largest gift from an individual, which has been pledged for 3 years. Corporate membership income has also remained steady this past year, with significant support from our newest partners, whose first gift of three pledged has been received.

#### **Environmental sustainability**

We are proud of our readiness to step into sector-leading work in this field. During 2020/21 we contributed to the new Green Book for theatre production and adopted its principles as standard going forwards.

We have continued to work co-operatively with fellow LTC theatres to progress the shared strategy for the environmental impact of our work. With LTC, we are part of the Arts Council Accelerator programme with an ambitious roadmap of sustainable ambitions to 2025.

## THE ENGLISH STAGE COMPANY LIMITED

### REPORT OF THE COUNCIL (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2022

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The Court was awarded 5\* in our Industry Green certification and Lucy Davies was awarded Creative Green Champion at this years Julie's Bicycle Creative Green Awards.

We have committed to delivering productions to Green Book Baseline targets (50%/65%) which means 50% Of materials used in the production; Set, Props, Costumes etc. has had a previous life and 65% of materials used are re-used or recycled. A clause has gone into the creative team contracts, committing to work within Green Book Targets. We will also look at projects which could aim for Intermediate (75%/80%) and Advanced (100%/100%).

#### **Financial Report and Risks**

At April 1st 2021 we were carrying forward restricted CRF and donated funds to support artistic activity between April and June 21 delayed by closures as well as designated reserves for the theatre's recovery. We end the year having spent the restricted CRF and donated funds on planned activity leaving a small reserve and some designated funds to support the theatre in 2021-22 which will be a challenging post Covid year.

The budget for 2021-22 with reduced houses expected and Covid still affecting staff and performers had a significant shortfall effectively utilizing the carried forward funds. It was always going to be a very difficult year financially as the world started to function again after the prolonged effects of Covid. We were fortunate to have been able to build the reserve during 2020 and 2021 to weather this period.

A sustainable and innovative business model supports the Royal Court's artistic programme, but it is undoubtedly tested by a decade of flat line public funding. We were successful with our application for NPO funding for 2023 - 2026 but with a 5% reduction. This gap, after already working hard to raise funds to close the gap from standstill funding and as costs rise, is acutely felt. The practice of well-controlled expenditure, prudent forecasting, energetic fundraising, diverse partnerships and seeking robust commercial activity continues to be pushed to plug that gap but longer term we need to find new business models to sustain the theatre.

#### **Reserves**

At the year-end date, ESC had total reserves of £2.22m (2021: £2.87m). There is an endowment fund of £137k (2021: £137k) established to support exploitation of the Charity's work; other funds restricted to use on particular projects and programmes amount to £620k (2021: £1,211k). The remaining funds of £1.47m include funds designated by the Board of £496k for new writing and future development and capital replacement of £246k. At year end a further £615k remains designated to fund the recovery during 2021-22 post pandemic. This leaves free reserves of £109k, which is a realistic figure given that the designated funds exist to support the objects of the Charity.

On a day-to-day basis, ESC monitors its financial position less in terms of free reserves, and more in terms of the availability of cash and cash flow in the business. Our cash-flow, like other theatres, results in peaks and troughs of cash at certain times of the year and through vigilant management of the finances and regular financial information provided to trustees ESC seeks to hold sufficient cash to ensure it can fulfil its short and medium term strategic objectives. The nature of the receipt of Theatre Tax Relief at one point in the year is challenging for the cash flow of the organisation. The Trustees are aware that through cash flow projections ESC can quickly deplete reserves and should continue to complete the accounts and corporation tax returns as early as possible to maximise a positive cash flow potential.

#### **Fundraising**

The Royal Court's fundraising activities include seeking and securing financial contributions from individuals, corporations and trusts, foundations and grant-making bodies towards the Royal Court's work. We run an Individual Giving scheme which offers various levels of split memberships which incorporate a benefits package and a charitable donation. This membership scheme ranges from £250 to £10,000 and donations made above this amount are considered Major Gifts. Our Annual Fund encourages low-level one-off donations from audience members outside of our regular giving schemes and these are often made in addition to ticket purchases. We claim Gift Aid on donations

## THE ENGLISH STAGE COMPANY LIMITED

### REPORT OF THE COUNCIL (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2022

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made by individuals who are eligible. We welcome legacy gifts and encourage supporters and audience members to remember the Royal Court in their will. We run a Corporate Membership scheme that offers companies different tiers of support ranging from £5,000-£15,000 plus VAT. In addition, we work with companies with whom we share values to create larger partnerships and offer sponsorship opportunities. Partnerships with companies can offer both financial and in-kind support. We seek funds from charitable Trusts and Foundations and apply for both general core support and funds restricted to specific projects and purposes. Occasionally, we programme special fundraising events to generate additional income throughout the year and have introduced Production Circles for our supporters to join.

All fundraising is managed internally and delegated to the Development Director who is accountable to the Trustees via the Executive.

As well as being guided by our own internal ethical fundraising policy, the Royal Court is a member of the UK Fundraising Regulator to ensure our fundraising activity adheres to their code of conduct and follows best practice. No complaints were received during the year in relation to our fundraising.

#### **Future Developments**

We are still in uncertain times and programming and balancing audience targets with artistic ambition is harder than ever.

2022/23 will be very challenging as we compete for funding after the relief funds have now finished and in an emerging environment of rising costs.

That said we have a thrilling and innovative programme of diverse work ahead

FOR BLACK BOYS by Ryan Calais Cameron  
HANGMEN by Martin McDonagh on Broadway  
TWO PALESTINIANS GO DOGGING by Sami Ibrahim  
THAT'S NOT WHO I AM by Dave Davison AKA RAPTURE by Lucy Kirkwood  
NOT ONE OF THESE PEOPLE by Martin Crimp in a co-production with  
JEWS IN THEIR OWN WORDS by Jonathon Freedland  
BAGHDADDY by Jasmine Nazier Jones  
BLACK SUPERHERO by Danny Lee Wynter  
GRACELAND by Ava Wong Davies  
SOUND OF THE UNDERGROUND by Tarvis Alabanza and Debbie Hannan  
FOR BLACK BOYS in the West End  
12 One night Stands  
FIGHT AGAINST by Pablo Manzi – Film in the Santiago A Mil festival.

In addition we will present work by Clean Break, Outside Edge and will launch our Living Archive.

We are hopeful of sustaining Court in the Square through the summer and the winter, and for many summers to come.

Our work with The What If Experiment continues and the Zero Harm work will come to fruition with a Practice of Care document for all stakeholders, new policies and the appointment of a head of people/ HR manager. We will review of our structures the ongoing capital challenges to our building's fabric and systems will influence a review of the operational team and the development of a capital fundraising scheme while seizing on all potential grant opportunities. A new commercial income working group will be created to look at long-term income generation, and our net zero planning and Green Book work will be ramped up during this critical year.

**THE ENGLISH STAGE COMPANY LIMITED**

**REPORT OF THE COUNCIL (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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**STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES**

The Council Members are responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and regulations.

Company law requires the Council Members to prepare financial statements for each financial year. Under that law the Council Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing these financial statements the Council Members are required to:

- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable 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 assume that the charitable company will continue in operation

The Council Members are also 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. They 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.

The Council Members are responsible for the maintenance and integrity of the corporate and financial information included in the charitable company's website. Legislation in England and Wales governing the preparation and dissemination of financial statements and other information included in trustees' reports may differ from legislation in other jurisdictions.

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. The Trustees met the Executive team very regularly for 6 months to discuss what impacts the Covid-19 pandemic may have for the Charity. Actions for both the Charity and Catering Subsidiary were deliberated using key information such as cash flow. The Trustees consider that the ongoing NPO funding, use of furlough and successful applications in July and October for Emergency funding will ensure the Charity and its subsidiaries can meet their commitments and liabilities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**AUDITORS**

The auditors will be proposed for re-appointment at the forthcoming Annual General Meeting.

**Signed on behalf of the Trustees on 24 March 2023 by:**



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**Anthony C Burton CBE - Director**

## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ENGLISH STAGE COMPANY LIMITED**

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### **Opinion**

We have audited the financial statements of English Stage Company Limited ('the parent charity') and its subsidiaries (together 'the group') for the year ended 31 March 2021 set out on pages 14 to 35. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ENGLISH STAGE COMPANY LIMITED**

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

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

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

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

### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Charity and sector, we identified that the principal risks of non-compliance with laws and regulations related to industry sector regulations and unethical and prohibited business practices, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried out. These procedures included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading minutes of meetings of those charged with governance;
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC;
- Identifying and testing journal entries;
- Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ENGLISH STAGE COMPANY LIMITED**

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There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

### **Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



**Julian Flitter**  
**Goodman Jones LLP**

Statutory Auditors and Chartered Accountants  
29/30 Fitzroy Square  
London  
W1T 6LQ  
Date: 27-03-23

Goodman Jones LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE ENGLISH STAGE COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2022

|  | Notes | Designated<br>and<br>unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Endowment<br>Funds<br>£ | Total<br>Funds<br>2022<br>£ | Total<br>Funds<br>2021<br>£ |
|--|-------|---|--------------------------|-------------------------|-----------------------------|-----------------------------|
| <b>INCOME FROM:</b>  |       |   |                          |                         |                             |                             |
| Voluntary income   | 3     | 3,554,324                                       | 407,069                  | -                       | 3,961,393                   | 5,347,695                   |
| Activities for generating funds                                  | 9     | 744,437   | -                        | -                       | 744,437                     | 163,419                     |
| Investment income  | 4     | 819   | -                        | -                       | 819                         | 1,695                       |
| <b>Total</b>   |       | <b>4,299,580</b>                                | <b>407,069</b>           | <b>-</b>                | <b>4,706,649</b>            | <b>5,512,809</b>            |
| Incoming resources from charitable activities                    | 5     | 779,731   | -                        | -                       | 779,731                     | 42,940                      |
| Other incoming resources   |       | 417,522   | -                        | -                       | 417,522                     | 45,456                      |
| <b>Total incoming resources</b>                                  |       | <b>5,496,833</b>                                | <b>407,069</b>           | <b>-</b>                | <b>5,903,902</b>            | <b>5,601,205</b>            |
| <b>EXPENDITURE ON:</b>   |       |   |                          |                         |                             |                             |
| <b>Costs of raising funds</b>                                    |       |   |                          |                         |                             |                             |
| Costs of generating voluntary income                             | 6     | 430,462   | -                        | -                       | 430,462                     | 371,834                     |
| Trading costs  | 6     | 571,860   | -                        | -                       | 571,860                     | 169,659                     |
| <b>Total costs of raising funds</b>                              |       | <b>1,002,322</b>                                | <b>-</b>                 | <b>-</b>                | <b>1,002,322</b>            | <b>541,493</b>              |
| <b>Charitable activities</b>                                     | 5a    | <b>4,553,291</b>                                | <b>997,883</b>           | <b>-</b>                | <b>5,551,174</b>            | <b>3,868,522</b>            |
| <b>Total resources expended</b>                                  | 6     | <b>5,555,613</b>                                | <b>997,883</b>           | <b>-</b>                | <b>6,553,496</b>            | <b>4,410,015</b>            |
| <b>Net (expenditure)/income before redevelopment expenditure</b> |       | <b>(58,781)</b>                                 | <b>(590,814)</b>         | <b>-</b>                | <b>(649,595)</b>            | <b>1,191,190</b>            |
| Redevelopment expenditure  |       | -   | -                        | -                       | -                           | -                           |
| <b>Net movement in funds</b>                                     |       | <b>(58,781)</b>                                 | <b>(590,814)</b>         | <b>-</b>                | <b>(649,595)</b>            | <b>1,191,190</b>            |
| Balances brought forward at 1 April 2021                         |       | <b>1,526,521</b>                                | <b>1,211,280</b>         | <b>137,455</b>          | <b>2,875,256</b>            | <b>1,684,066</b>            |
| <b>Balance carried forward at 31 March 2022</b>                  |       | <b>1,467,740</b>                                | <b>620,466</b>           | <b>137,455</b>          | <b>2,225,661</b>            | <b>2,875,256</b>            |

The income and expenditure detailed above all arises from continuing operations. There were no discontinued operations in the year. The charity has no recognised gains and losses other than those above and therefore no separate Statement of Total Recognised Gains and Losses has been presented. There is no difference between the net movement in funds for the year stated above and its historical cost equivalent.

The notes on pages 17 to 35 form part of these financial statements.



## CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 31 MARCH 2022

|  |       | Group            |                  | Charity          |                  |
|--|-------|------------------|------------------|------------------|------------------|
|  | Notes | 2022<br>£        | 2021<br>£        | 2022<br>£        | 2021<br>£        |
| <b>FIXED ASSETS</b>                            |       |                  |                  |                  |                  |
| Tangible assets                                | 11a&b | 467,129          | 574,286          | 467,129          | 574,286          |
| Tangible assets - redevelopment                | 11c   | -                | -                | -                | -                |
| Investments                                    | 12    | -                | -                | 101              | 101              |
|  |       | 467,129          | 574,286          | 467,230          | 574,387          |
| <b>CURRENT ASSETS</b>                          |       |                  |                  |                  |                  |
| Stock  | 13    | 9,649            | 7,947            | -                | -                |
| Debtors: amounts falling due within one year   | 14    | 1,018,938        | 338,295          | 1,032,177        | 357,107          |
| Advance expenditure on productions             |       | 189,730          | 20,262           | 189,730          | 20,262           |
| Cash and cash equivalents                      |       | 1,453,528        | 2,457,480        | 1,397,792        | 2,446,852        |
|  |       | 2,671,845        | 2,823,984        | 2,619,699        | 2,824,221        |
| <b>CURRENT LIABILITIES</b>                     |       |                  |                  |                  |                  |
| Creditors: amounts falling due within one year | 15    | (747,617)        | (490,329)        | (695,572)        | (470,438)        |
| Deferred income                                | 16    | (165,696)        | (32,685)         | (165,696)        | (32,685)         |
|  |       | (913,313)        | (523,014)        | (861,268)        | (503,123)        |
| <b>NET CURRENT ASSETS</b>                      |       | 1,758,532        | 2,300,970        | 1,758,431        | 2,321,098        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>   |       | 2,225,661        | 2,875,256        | 2,225,661        | 2,895,485        |
| <b>NET ASSETS</b>                              |       | <b>2,225,661</b> | <b>2,875,256</b> | <b>2,225,661</b> | <b>2,895,485</b> |
| <b>CAPITAL AND RESERVES</b>                    |       |                  |                  |                  |                  |
| <i>Unrestricted funds</i>                      |       |                  |                  |                  |                  |
| Designated funds                               | 17    | 1,358,314        | 1,449,433        | 1,358,314        | 1,449,433        |
| General funds                                  | 18    | 109,426          | 97,317           | 109,426          | 97,317           |
| Trading Subsidiaries                           | 12    | -                | (20,229)         | -                | -                |
|  |       | 1,467,740        | 1,526,521        | 1,467,740        | 1,546,750        |
| Restricted funds                               | 19    | 620,466          | 1,211,280        | 620,466          | 1,211,280        |
| Endowment funds                                | 20    | 137,455          | 137,455          | 137,455          | 137,455          |
| <b>TOTAL FUNDS</b>                             |       | <b>2,225,661</b> | <b>2,875,256</b> | <b>2,225,661</b> | <b>2,895,485</b> |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements. The financial statements were approved and authorised for issue by the Trustees and were signed below on its behalf by:

  
 .....  
 Anthony Burton CBE  
 Chair

Date 24-03-23  
 .....

The notes on pages 17 to 35 form part of these accounts.

**THE ENGLISH STAGE COMPANY LIMITED**

**CONSOLIDATED CASHFLOW STATEMENT**

**FOR THE YEAR ENDED 31 MARCH 2022**

|   | <b>Notes</b> | <b>2022</b><br>£ | <b>2021</b><br>£ |
|---|--------------|------------------|------------------|
| <b>Cash flows from operating activities</b>                         |              | (932,893)        | 1,242,441        |
| <b>Cash flows from investing activities</b>                         |              |                  |                  |
| Dividends and interest  | 4            | 819              | 1,695            |
| Purchase of property, plant and equipment                           | 11a          | (71,878)         | (1,836)          |
| <b>Net cash provided by/(used in) investing activities</b>          |              | (71,059)         | (141)            |
| Change in cash and cash equivalents in the reporting period         |              | (1,003,952)      | 1,242,300        |
| Cash and cash equivalents at the beginning of the reporting period  |              | 2,457,480        | 1,215,180        |
| <b>Cash and cash equivalents at the end of the reporting period</b> |              | <b>1,453,528</b> | <b>2,457,480</b> |

**NOTES TO THE CASH FLOW STATEMENT**

|  | <b>Notes</b> | <b>2022</b><br>£ | <b>2021</b><br>£ |
|--|--------------|------------------|------------------|
| <b>Reconciliation of Net income to Net Cash Flow from Operating Activities</b> |              |                  |                  |
| Net income for the reporting period  |              | (649,595)        | 1,191,190        |
| Depreciation charges   | 11a          | 177,657          | 174,410          |
| Loss on disposal of Fixtures and Fittings                                      |              | 1,378            | -                |
| Decrease/(increase) in debtors   |              | (850,111)        | 630,417          |
| (Decrease)/increase in creditors   | 15           | 390,299          | (754,249)        |
| Interest and dividends   | 4            | (819)            | (1,695)          |
| Decrease/(increase) in stock   | 13           | (1,702)          | 2,368            |
| <b>Net cash provided by/(used in) operating activities</b>                     |              | (932,893)        | 1,242,441        |
| <b>Analysis of Cash and Cash Equivalents</b>                                   |              |                  |                  |
| Cash at bank and in hand   |              | 1,453,528        | 2,457,480        |
| Short term deposits  |              | -                | -                |
| <b>Total:</b>  |              | <b>1,453,528</b> | <b>2,457,480</b> |

# THE ENGLISH STAGE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1. GENERAL INFORMATION AND COMPANY STATUS

The English Stage Company is a charitable company limited by guarantee registered in England and Wales. The registered office and principal place of business is Royal Court Theatre, Sloane Square, London, SW1W 8AS. The liability of each member in the event of winding-up is limited to £10. The main activities of the charity are to find, develop and produce new plays, creating the conditions for writers, nationally and internationally, to flourish.

#### 2. PRINCIPAL ACCOUNTING POLICIES

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 2015) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, are set out below. The charitable company is a public benefit entity under FRS102 and it is registered as a charity in England and Wales.

##### Going concern

The Trustees have a reasonable confidence that the Charity has adequate resources to continue in operational existence for the foreseeable future. English Stage Company were successful with their application to Arts Council England for NPO funding for 2023-26. 2022-23 will be an interim standalone year which was agreed early in 2022. The Finance and General Purposes Committee met with the Executive team to look at the future budgets for both the Charity and Catering Subsidiary using key information such as cash flow and management accounts. The Trustees consider that the ongoing NPO funding despite a 5% cut will ensure the Charity can meet their commitments and liabilities for the period. The Catering Subsidiary will continue to run an operation in the square which provides the potential for financial security success. Accordingly, they continue to adopt the going concern basis in preparing the financial statements

##### Basis of accounting

The financial statements are prepared in accordance with the historical cost convention. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

##### Consolidation

The financial statements consolidate those of the English Stage Company Limited and its non-charitable subsidiaries Royal Court Theatre Productions Limited and ESC Catering Limited. The results of these wholly-owned trading subsidiaries are incorporated on a line by line basis in these financial statements. A further wholly-owned subsidiary, ESC Productions Limited, has not been consolidated as it was dormant for the whole of the current and prior years.

No separate SOFA has been presented for the Charity alone as permitted by section 408 of the Companies Act 2006. The income and expenditure account for the year dealt with in the accounts of the Charity was a deficit of £669,824 (2021: £1,269,561 surplus).

##### Foreign currency

Transactions which are denominated in a foreign currency are translated at the rate prevailing at the date of the transaction. Balance sheet items are translated at the rate prevailing at year-end. All differences are taken to the Statement of Financial Activities.

**THE ENGLISH STAGE COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**2. PRINCIPAL ACCOUNTING POLICIES (continued)**

**Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Council members 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 Council members for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted and Endowment 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 cost 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 in the financial statements.

**Income**

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.

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

**Sponsorship and donations**

Sponsorship and donations are credited to the Statement of Financial Activities in the year in which they are receivable or alternatively if sponsorship or donations are given for a specific play or project then they are credited in the year in which that play or project takes place.

**Grant funding**

Grants are credited to the Statement of Financial Activities in the year in which they are receivable. They are recognised when the above income recognition criteria are met and to the extent that any performance conditions attached to the grants have been met.

**Box office and associated income and expenditure**

Box office income comprises ticket sales for performances and events in the Jerwood Theatre Downstairs and the Jerwood Theatre Upstairs. For productions occurring wholly within one financial year, revenue is recognised as ticket sales are made and all associated costs are written off in that financial year. Where productions span the year-end costs and income are recognised in the year in which the press night of the related production takes place.

**Trading income**

Trading income is stated exclusive of value added tax.

**Gifts in kind**

Gifts in kind are recognised as incoming resources when received, at the cost to the donor, where the amount is material and quantifiable.

**Interest receivable**

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

THE ENGLISH STAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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2. PRINCIPAL ACCOUNTING POLICIES (continued)

**Resources expended**

All expenditure is accounted for on an accruals basis. 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 has been classified under the headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with use of resources. Costs are attributed in proportion to the number of employees directly engaged in each area of activity. All expenditure is inclusive of any irrecoverable VAT.

**Support costs**

Support costs comprise the indirect costs, including staff costs, relating to the charitable activities and are attributed in proportion to the directly associated activity.

**Redundancy and termination costs**

The charity recognises employee redundancy and termination costs in full on the date the redundancy or termination is confirmed.

**Governance Costs**

Governance costs are stated as a sum total of the audit fee and any Board related costs in the year.

**Pension costs and other post-retirement benefits**

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Operating leases**

Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease terms.

**Tangible Fixed Assets (including redevelopment)**

All assets are included at their purchase price together with any incidental costs of acquisition. Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Assets with a value below £300 are not capitalised. Assets which are co-dependent and have a combined value of £300 and above are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Depreciation and amortisation of tangible fixed assets is carried out using the straight line method over the following periods:

|  |                       |
|--|-----------------------|
| Leasehold Premises/Improvements        | Lifetime of the lease |
| Stage and Lighting Equipment           | 3-10 years            |
| Plant Equipment, Fixtures and Fittings | 3-10 years            |
| Office and Computer Equipment          | 3-10 years            |

**2. PRINCIPAL ACCOUNTING POLICIES (continued)**

**Stock**

Stock in the consolidated accounts represents food, liquor, disposable items, books, play texts, programmes, and merchandise held for resale and is valued at the lower of cost and net realisable value. At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Advance expenditure on productions**

These consist of expenditure incurred in respect of productions in the future period and are carried forward on the balance sheet until they are expensed in the period that the related production has its press night.

**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.

**Creditors**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably. 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 within interest payable and similar charges.

**Deferred income**

Income received in the year is deferred where the event to which the income relates is happening in a future period or where the performance conditions attached to the funding have not been met.

**Financial instruments**

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

**Critical accounting judgements and estimates**

In the application of the accounting policies, the Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

THE ENGLISH STAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3. VOLUNTARY INCOME

|   | Unrestricted<br>Funds<br>£ | Restricted<br>funds<br>£ | Total<br>2022<br>£ |
|---|----------------------------|--------------------------|--------------------|
| <b>Sponsorship and donations</b>          |                            |                          |                    |
| <b>Performance</b>                        |                            |                          |                    |
| Trusts and Foundation                     | -                          | 20,882                   | 20,882             |
| Individual donations                      | 8,748                      | 93,000                   | 101,748            |
| Corporate Sponsorship                     | 104,166                    | -                        | 104,166            |
|   | 112,914                    | 113,882                  | 226,796            |
| <b>General activity including Capital</b> |                            |                          |                    |
| Trusts and Foundation                     | 6,500                      | 2,500                    | 9,000              |
| Individual donations                      | 372,492                    | -                        | 372,492            |
| Corporate Sponsorship                     | 95,649                     | -                        | 95,649             |
|   | 474,641                    | 2,500                    | 477,141            |
| <b>Writer and Play Development</b>        |                            |                          |                    |
| Trusts and Foundation                     | -                          | 15,000                   | 15,000             |
| Individual donations                      | -                          | 5,927                    | 5,927              |
| Corporate Sponsorships & Events           | 104,167                    | 50,000                   | 154,167            |
|   | 104,167                    | 70,927                   | 175,094            |
| <b>Participation</b>                      |                            |                          |                    |
| Trusts and Foundation                     | 5,000                      | 87,000                   | 92,000             |
| Individual donations                      | -                          | -                        | -                  |
| Corporate Sponsorships & Events           | 5,000                      | -                        | 5,000              |
|   | 10,000                     | 87,000                   | 97,000             |
| <b>Total sponsorships and donations</b>   | 701,722                    | 274,309                  | 976,031            |
| <b>Public Funding</b>                     | 2,852,602                  | 132,760                  | 2,985,362          |
| <b>Total Voluntary income</b>             | 3,554,324                  | 407,069                  | 3,961,393          |

Public Funding relates to grants received from Arts Council, British Council, Great London Authority and income received from the Corona Virus Job Retention Scheme.

Corporate sponsorships includes £308,982 (2021: £205,366) of corporate membership and corporate sponsorship fees. This disclosure allows income to be consistent and in line with the costs to generate this income, which is included in fundraising costs within note 6.

THE ENGLISH STAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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3a. PRIOR YEAR VOLUNTARY INCOME

|   | Unrestricted<br>Funds<br>£ | Restricted<br>funds<br>£ | Total<br>2021<br>£ |
|---|----------------------------|--------------------------|--------------------|
| <b>Sponsorship and donations</b>          |                            |                          |                    |
| <b>Performance</b>                        |                            |                          |                    |
| Trusts and Foundation                     | -                          | 5,000                    | 5,000              |
| Individual donations                      | 46,468                     | 149,113                  | 195,581            |
| Corporate Sponsorship                     | -                          | 100,262                  | 100,262            |
|   | 46,468                     | 254,375                  | 300,843            |
| <b>General activity including Capital</b> |                            |                          |                    |
| Trusts and Foundation                     | 67,000                     | 7,500                    | 74,500             |
| Individual donations                      | 500,315                    | -                        | 500,315            |
| Corporate Sponsorship                     | 105,104                    | -                        | 105,104            |
|   | 672,419                    | 7,500                    | 679,919            |
| <b>Writer and Play Development</b>        |                            |                          |                    |
| Trusts and Foundation                     | -                          | 40,000                   | 40,000             |
| Individual donations                      | -                          | 25,910                   | 25,910             |
| Corporate Sponsorships & Events           | -                          | -                        | -                  |
|   | -                          | 65,910                   | 65,910             |
| <b>Participation</b>                      |                            |                          |                    |
| Trusts and Foundation                     | -                          | 5,000                    | 5,000              |
| Individual donations                      | -                          | 31,000                   | 31,000             |
| Corporate Sponsorships & Events           | -                          | -                        | -                  |
|   | -                          | 36,000                   | 36,000             |
| <b>Total sponsorships and donations</b>   | 718,887                    | 363,785                  | 1,082,672          |
| <b>Public Funding</b>                     | 3,561,164                  | 703,859                  | 4,265,023          |
| <b>Total Voluntary income</b>             | 4,280,051                  | 1,067,644                | 5,347,695          |



THE ENGLISH STAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

| 4. INVESTMENT INCOME      | 2022<br>£ | 2021<br>£ |
|---------------------------|-----------|-----------|
| Interest bearing deposits | 819       | 1,695     |
|                           | 819       | 1,695     |

All investment income in the current and the prior year relates to unrestricted funds.

| 5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES | 2022<br>£ | 2021<br>£ |
|--|-----------|-----------|
| <b>Box office and associated income</b>          |           |           |
| <i>Box office income</i>                         |           |           |
| Jerwood theatre downstairs                       | 631,192   | -         |
| Jerwood theatre upstairs                         | 57,290    | -         |
| Digital  | 15,717    | -         |
| Royalties/fees                                   | 58,707    | 35,490    |
| Outside contributions to productions             | 16,825    | 7,450     |
|  | 779,731   | 42,940    |
| <b>By geographical segment:</b>                  |           |           |
| United Kingdom                                   | 779,731   | 42,940    |

All incoming resources from charitable activities in the current and the prior year relates to unrestricted funds.

| 5a COSTS OF CHARITABLE ACTIVITIES                 | Direct<br>Costs<br>£ | Support<br>Costs<br>£ | 2022<br>£ | 2021<br>£ |
|---|----------------------|-----------------------|-----------|-----------|
| <b>Performances</b>                               |                      |                       |           |           |
| Restricted  | 682,904              | -                     | 682,904   | 313,975   |
| Unrestricted/designated                           | 2,499,518            | 930,565               | 3,430,083 | 1,926,578 |
| <b>Play development</b>                           |                      |                       |           |           |
| Restricted  | 55,709               | -                     | 55,709    | 115,219   |
| Unrestricted/designated                           | 378,332              | 110,406               | 488,738   | 592,490   |
| <b>General activity</b>                           |                      |                       |           |           |
| Restricted  | 2,500                | 146,201               | 153,701   | 153,704   |
| Unrestricted/designated                           | 163,357              | 181,381               | 344,738   | 461,694   |
| <b>Education and writer development</b>           |                      |                       |           |           |
| Restricted  | 110,569              | -                     | 110,569   | 56,086    |
| Unrestricted/designated                           | 198,253              | 91,479                | 289,732   | 248,776   |
| <b>Total costs of charitable activity</b>         | 4,091,142            | 1,460,032             | 5,551,174 | 3,868,522 |
| <i>Total costs of charitable activity in 2021</i> | 2,588,717            | 1,279,805             | 3,868,522 |           |

THE ENGLISH STAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

| 6. RESOURCES EXPENDED                        | Staff<br>Costs<br>£ | Other<br>Costs<br>£ | Depreciation<br>£ | 2022<br>£ |
|--|---------------------|---------------------|-------------------|-----------|
| <b>Costs of generated funds:</b>             |                     |                     |                   |           |
| Trading costs (unrestricted)                 | 311,178             | 260,682             | -                 | 571,860   |
|  | 311,178             | 260,682             | -                 | 571,860   |
| <b>Costs of generating voluntary income:</b> |                     |                     |                   |           |
| Fundraising costs (unrestricted)             | 151,595             | 23,071              | -                 | 174,666   |
| Marketing and publicity (unrestricted)       | 175,610             | 80,186              | -                 | 255,796   |
|  | 327,205             | 103,257             | -                 | 430,462   |
| <b>Costs of charitable activities:</b>       |                     |                     |                   |           |
| Production costs (unrestricted)              | 1,551,709           | 997,873             | -                 | 2,509,582 |
| Production costs (restricted)                | 562,022             | 287,160             | -                 | 849,182   |
| Support costs (unrestricted)                 | 961,002             | 1,051,254           | 31,453            | 2,043,709 |
| Support costs (restricted)                   | -                   | 2,500               | 146,201           | 148,701   |
|  | 3,034,733           | 2,338,787           | 177,654           | 5,551,174 |
| Total resources expended                     | 3,673,116           | 2,702,726           | 177,654           | 6,553,496 |

6a. PRIOR YEAR RESOURCES EXPENDED

|  | Staff<br>Costs<br>£ | Other<br>Costs<br>£ | Depreciation<br>£ | 2021<br>£ |
|--|---------------------|---------------------|-------------------|-----------|
| <b>Costs of generated funds:</b>             |                     |                     |                   |           |
| Trading costs (unrestricted)                 | 151,648             | 15,001              | 3,010             | 169,659   |
|  | 151,648             | 15,001              | 3,010             | 169,659   |
| <b>Costs of generating voluntary income:</b> |                     |                     |                   |           |
| Fundraising costs (unrestricted)             | 180,435             | 5,184               | -                 | 185,619   |
| Marketing and publicity (unrestricted)       | 156,626             | 29,589              | -                 | 186,215   |
|  | 337,061             | 34,773              | -                 | 371,834   |
| <b>Costs of charitable activities:</b>       |                     |                     |                   |           |
| Production costs (unrestricted)              | 1,462,332           | 239,278             | -                 | 1,701,610 |
| Production costs (restricted)                | -                   | 485,280             | -                 | 485,280   |
| Support costs (unrestricted)                 | 986,796             | 515,934             | 25,198            | 1,527,928 |
| Support costs (restricted)                   | -                   | 7,500               | 146,204           | 153,704   |
|  | 2,449,128           | 1,247,992           | 171,402           | 3,868,522 |
| Total resources expended                     | 2,937,837           | 1,297,766           | 174,412           | 4,410,015 |

**THE ENGLISH STAGE COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2022**

| <b>7. NET INCOMING RESOURCES</b>                  | <b>2022</b> | <b>2021</b> |
|---|-------------|-------------|
|   | £           | £           |
| Net incoming resources is stated after crediting: |             |             |
| Interest receivable                               | 819         | 1,695       |
| Net incoming resources is stated after charging:  |             |             |
| Depreciation                                      | 177,654     | 174,412     |
| Auditors' remuneration                            | 17,500      | 16,000      |

Indemnity insurance for Council members' liability has been purchased by the charity. The Auditor's remuneration includes costs of auditing the charity and group.

| <b>8. EMPLOYEE INFORMATION</b>  | <b>2022</b> | <b>2021</b> |
|---|-------------|-------------|
|   | Number      | Number      |
| The average weekly number of full-time equivalent persons employed during the year was: |             |             |
| Performances  | 59          | 43          |
| Play development  | 7           | 10          |
| General activity  | 12          | 16          |
| Education   | 6           | 4           |
| ESC Catering Ltd  | 11          | 7           |
|   | 94          | 80          |

**Key management salary and pension**

The following staff comprise key management and their remuneration is as follows:

The five (2021: five) members of the Senior Management team received total emoluments of £400,717 (Salaries and NI: £385,711, Pension: £15,006). In the prior year these costs were £358,939 (Salaries and NI: £346,316, Pension: £12,623).

Redundancy payments of £NIL were made in the year to no employees (2021: £12,269 to 3 employees), which is included within wages and salaries.

1 employee received emoluments between £60,000 and £70,000, 1 employee received emoluments between £70,000 and £80,000, and 1 employee between £90,000 and £100,000 during the current period (2021: One employee received emoluments between £60,000 and £70,000, one employee received emoluments between £70,000 and £80,000, and one employee between £80,000 and £90,000).

No Trustees received emoluments in that capacity during the current or previous period. The Charity has not reimbursed expenses incurred by any Trustee.

THE ENGLISH STAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

8. EMPLOYEE INFORMATION (continued)

|                             | 2022<br>£        | 2021<br>£        |
|-----------------------------|------------------|------------------|
| <b>Total staff costs</b>    |                  |                  |
| Wages and salaries          | 2,647,163        | 2,667,028        |
| Freelancers and Contractors | 697,694          | -                |
| Social security costs       | 241,775          | 205,430          |
| Pension costs               | 86,484           | 65,379           |
|                             | <u>3,673,116</u> | <u>2,937,837</u> |

The company operates a defined contribution pension scheme. Contributions payable to the company's pensions scheme are charged to the profit and loss account in the period to which they relate

9. ACTIVITIES FOR GENERATING FUNDS

|   | 2022<br>£      | 2021<br>£      |
|---|----------------|----------------|
| <b>Summary</b>  |                |                |
| Trading and catering sales                                | 744,437        | 163,419        |
| Less: Trading and catering purchases                      | (260,682)      | (18,011)       |
| Bookshop & catering staffing                              | (311,178)      | (151,648)      |
| <b>Net (deficit)/contribution from trading activities</b> | <u>172,577</u> | <u>(6,240)</u> |
| ESC Catering Limited - Note 12                            | 706,808        | 149,167        |
| Royal Court Theatre Productions Limited - Note 12         | 7,737          | 2,412          |
|   | <u>714,545</u> | <u>151,579</u> |
| Other trading activities                                  | 29,892         | 11,840         |
| <b>Total income</b>                                       | <u>744,437</u> | <u>163,419</u> |
| Less: Trading costs                                       | (571,860)      | (169,659)      |
| <b>Net contribution from trading activities</b>           | <u>172,577</u> | <u>(6,240)</u> |

All income and expenditure for activities for generating funds in the current and the prior year relates to unrestricted funds.

10. TAXATION

The entity is a registered charity, and as such is entitled to certain tax exemptions on any surpluses on trading activities carried on in furtherance of the charity's primary objectives if these surpluses are applied solely for charitable purposes.

English Stage Company Limited and its subsidiaries are standard rated for VAT.

THE ENGLISH STAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

11a. TANGIBLE FIXED ASSETS

| Group                   | Leasehold<br>premises &<br>improvement<br>£ | Stage and<br>lighting<br>equipment<br>£ | Plant, equipment<br>fixtures &<br>Fittings<br>£ | Total<br>£       |
|-------------------------|---|---|---|------------------|
| <b>Cost</b>             |   |   |   |                  |
| At 1 April 2021         | 2,535,181                                   | 469,780                                 | 235,455   | 3,240,416        |
| Additions               | 48,553                                      | -                                       | 23,325  | 71,878           |
| Disposals               | -   | -                                       | (69,084)  | (69,084)         |
| At 31 March 2022        | <b>2,583,734</b>                            | <b>469,780</b>                          | <b>189,696</b>                                  | <b>3,243,210</b> |
| <b>Depreciation</b>     |   |   |   |                  |
| At 1 April 2021         | 2,120,564                                   | 337,298                                 | 208,268   | 2,666,130        |
| Charge for the year     | 123,918                                     | 39,451                                  | 14,288  | 177,657          |
| Eliminated on disposals | -   | -                                       | (67,706)  | (67,706)         |
| At 31 March 2022        | <b>2,244,482</b>                            | <b>376,749</b>                          | <b>154,850</b>                                  | <b>2,776,081</b> |
| <b>Net Book Value</b>   |   |   |   |                  |
| At 31 March 2022        | 339,252                                     | 93,031                                  | 34,846  | 467,129          |
| At 31 March 2021        | 414,617                                     | 132,482                                 | 27,187  | 574,286          |

11b. TANGIBLE FIXED ASSETS

| Charity                 | Leasehold<br>premises &<br>improvement<br>£ | Stage and<br>lighting<br>equipment<br>£ | Plant, equipment<br>fixtures &<br>Fittings<br>£ | Total<br>£       |
|-------------------------|---|---|---|------------------|
| <b>Cost</b>             |   |   |   |                  |
| At 1 April 2021         | 2,497,841                                   | 469,780                                 | 232,125   | 3,199,746        |
| Additions               | 48,553                                      | -                                       | 23,325  | 71,878           |
| Disposals               | -   | -                                       | (69,084)  | (69,084)         |
| At 31 March 2022        | <b>2,546,394</b>                            | <b>469,780</b>                          | <b>186,366</b>                                  | <b>3,202,540</b> |
| <b>Depreciation</b>     |   |   |   |                  |
| At 1 April 2021         | 2,083,224                                   | 337,298                                 | 204,939   | 2,625,460        |
| Charge for the year     | 123,918                                     | 39,451                                  | 14,288  | 177,657          |
| Eliminated on disposals | -   | -                                       | (67,706)  | (67,706)         |
| At 31 March 2022        | <b>2,207,142</b>                            | <b>376,749</b>                          | <b>151,520</b>                                  | <b>2,735,411</b> |
| <b>Net Book Value</b>   |   |   |   |                  |
| At 31 March 2022        | 339,252                                     | 93,031                                  | 34,846  | 467,129          |
| At 31 March 2021        | 414,617                                     | 132,482                                 | 27,187  | 574,286          |

THE ENGLISH STAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

11c. TANGIBLE FIXED ASSETS

| Redevelopment – Group & Charity | Leasehold premises<br>£ | Stage and lighting equipment<br>£ | Plant & machinery, fixtures & fittings<br>£ | Office & computer equipment<br>£ | Total<br>£ |
|---------------------------------|-------------------------|-----------------------------------|---|----------------------------------|------------|
| <b>Cost</b>                     |                         |                                   |   |                                  |            |
| At 1 April 2021                 | 18,349,196              | 548,167                           | 3,076,233                                   | 1,195,291                        | 23,168,887 |
| <b>Depreciation</b>             |                         |                                   |   |                                  |            |
| At 1 April 2021                 | 18,349,196              | 548,167                           | 3,076,233                                   | 1,195,291                        | 23,168,887 |
| Charge for the year             | -                       | -                                 | -   | -                                | -          |
| At 31 March 2022                | 18,349,196              | 548,167                           | 3,076,233                                   | 1,195,291                        | 23,168,887 |
| <b>Net Book Value</b>           |                         |                                   |   |                                  |            |
| At 31 March 2022                | -                       | -                                 | -   | -                                | -          |
| At 31 March 2021                | -                       | -                                 | -   | -                                | -          |

12. FIXED ASSET INVESTMENTS

|                                 | Group     |           | Charity   |           |
|---------------------------------|-----------|-----------|-----------|-----------|
|                                 | 2022<br>£ | 2021<br>£ | 2022<br>£ | 2021<br>£ |
| Interest in group undertakings: |           |           |           |           |
| Cost                            | -         | -         | 101       | 101       |
| Net book value                  | -         | -         | 101       | 101       |

| Name of undertaking and country of incorporation and registration | Description of shares held     | Proportion of nominal value of issued share capital |
|---|--------------------------------|---|
| Royal Court Theatre Productions Limited (UK)                      | 100 Ordinary shares of £1 each | 100%  |
| ESC Catering Limited  | 1 Ordinary share of £1 each    | 100%  |

The normal activity of Royal Court Theatre Productions Limited is the commercial exploitation of plays produced by the English Stage Company Limited.

The activity of ESC Catering Limited is to serve food and drink to Royal Court patrons and the general public in the Royal Court Cafe Bar in the basement and Balcony Bar.

The charity also owns 100% of the issued share capital (1 ordinary share of £1 each) in ESC Productions Limited. This company is dormant and has not traded in either the current or the prior year.

THE ENGLISH STAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

12. FIXED ASSET INVESTMENTS (continued)

|  | ESC Catering Limited |           | Royal Court Theatre Productions Limited |         |
|--|----------------------|-----------|---|---------|
|  | 2022                 | 2021      | 2022                                    | 2021    |
|  | £                    | £         | £                                       | £       |
| <b><u>Profit and loss account</u></b>                  |                      |           |   |         |
| Turnover   | 696,857              | 32,309    | 7,737                                   | 2,412   |
| Cost of sales  | (568,045)            | (162,992) | -                                       | -       |
| <b>Gross profit</b>                                    | 128,812              | (130,683) | 7,737                                   | 2,412   |
| Other operating expenses                               | (32,966)             | (6,405)   | (7,738)                                 | (47)    |
| Other operating income                                 | 11,100               | 116,859   | -                                       | -       |
| <b>Operating (loss)/profit</b>                         | 106,946              | (20,229)  | (1)                                     | 2,365   |
| Net interest receivable                                | -                    | -         | 1                                       | 1       |
| <b>Profit/(loss) for the financial year before tax</b> | 106,946              | (20,229)  | -                                       | 2,366   |
| Tax on profit for the year                             | -                    | -         | -                                       | -       |
| <b>Profit/(loss) for the financial year after tax</b>  | (20,229)             | (20,229)  | -                                       | 2,366   |
| Payments under deed of covenant to parent charity      | (86,717)             | -         | -                                       | (2,366) |
| Profit and loss account carry forward                  | -                    | (20,229)  | -                                       | -       |

|  | ESC Catering Limited |                 | Royal Court Theatre Productions Limited |            |
|--|----------------------|-----------------|---|------------|
|  | 2022                 | 2021            | 2022                                    | 2021       |
|  | £                    | £               | £                                       | £          |
| <b>Fixed assets</b>                            |                      |                 |   |            |
| Tangible assets                                | -                    | -               | -                                       | -          |
| <b>Current assets</b>                          |                      |                 |   |            |
| Stock  | 9,649                | 7,947           | -                                       | -          |
| Debtors and prepayments                        | 101,990              | 7,698           | -                                       | -          |
| Cash at bank and in hand                       | 46,661               | 6,895           | 9,075                                   | 3,733      |
|  | 158,300              | 22,540          | 9,075                                   | 3,733      |
| Creditors: amounts falling due within one year | (158,299)            | (42,768)        | (8,975)                                 | (3,633)    |
| Total assets less current liabilities          | 1                    | (20,228)        | 100                                     | 100        |
| <b>Net assets/(liabilities)</b>                | <b>1</b>             | <b>(20,228)</b> | <b>100</b>                              | <b>100</b> |
| <b>Capital and Reserves</b>                    |                      |                 |   |            |
| Called up share capital                        | 1                    | 1               | 100                                     | 100        |
| Profit and loss account                        | -                    | (20,229)        | -                                       | -          |
| <b>Equity shareholders' funds</b>              | <b>1</b>             | <b>(20,228)</b> | <b>100</b>                              | <b>100</b> |

THE ENGLISH STAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

13. STOCKS

|                | Group        |              | Charity   |           |
|----------------|--------------|--------------|-----------|-----------|
|                | 2022<br>£    | 2021<br>£    | 2022<br>£ | 2021<br>£ |
| Catering stock | 9,649        | 7,947        | -         | -         |
|                | <b>9,649</b> | <b>7,947</b> | <b>-</b>  | <b>-</b>  |

14. DEBTORS: amounts falling due within one year

|                                    | Group            |                | Charity          |                |
|------------------------------------|------------------|----------------|------------------|----------------|
|                                    | 2022<br>£        | 2021<br>£      | 2022<br>£        | 2021<br>£      |
| Trade debtors                      | 273,690          | 82,553         | 188,963          | 80,264         |
| Due from subsidiary undertakings   | -                | -              | 115,229          | 23,993         |
| Other taxation and social security | 28,363           | 23,806         | 28,363           | 23,806         |
| Other debtors                      | 509,328          | 85,512         | 509,328          | 87,878         |
| Prepayments                        | 207,557          | 146,424        | 190,294          | 141,166        |
|                                    | <b>1,018,938</b> | <b>338,295</b> | <b>1,032,177</b> | <b>357,107</b> |

15. CREDITORS: amounts falling due within one year

|                                    | Group          |                | Charity        |                |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | 2022<br>£      | 2021<br>£      | 2022<br>£      | 2021<br>£      |
| Trade creditors                    | 343,491        | 239,641        | 300,143        | 239,641        |
| Other taxation and social security | 62,178         | 71,800         | 60,460         | 55,976         |
| Other creditors                    | 16,520         | 23,996         | 15,866         | 23,002         |
| Accruals                           | 325,428        | 154,892        | 319,103        | 151,819        |
|                                    | <b>747,617</b> | <b>490,329</b> | <b>695,572</b> | <b>470,438</b> |

16. DEFERRED INCOME

|   | Group<br>£     | Charity<br>£   |
|---|----------------|----------------|
| The movement in deferred income is analysed below:      |                |                |
| Deferred income brought forward at 1 April 2021         | 32,685         | 32,685         |
| Amounts released from previous years                    | (32,685)       | (32,685)       |
| Incoming resources deferred in the year                 | 165,696        | 165,696        |
| <b>Deferred income carried forward to 31 March 2022</b> | <b>165,696</b> | <b>165,696</b> |

The charity received income relating to production sponsorship and other activities in advance of the upcoming year.



THE ENGLISH STAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

17. UNRESTRICTED FUNDS - DESIGNATED FUNDS

| Group and Charity                       | Capital Replacement Fund<br>£ | Theatre Writing Fund<br>£ | Future Developments Fund<br>£ | COVID Recovery Fund<br>£ | Total<br>£       |
|---|-------------------------------|---------------------------|-------------------------------|--------------------------|------------------|
| At 1 April 2021                         | 263,887                       | 307,840                   | 262,706                       | 615,000                  | 1,449,433        |
| Sponsorship, donations and other income | -                             | -                         | -                             | -                        | -                |
| Transfers                               | -                             | -                         | -                             | -                        | -                |
| Expenditure                             | (17,157)                      | (73,962)                  | -                             | -                        | (91,119)         |
| At 31 March 2022                        | <b>246,730</b>                | <b>233,878</b>            | <b>262,706</b>                | <b>615,000</b>           | <b>1,358,314</b> |

The Capital Replacement Fund is used to service the depreciation charge on capital purchases not funded elsewhere and matches net book value of the relevant group of tangible assets.

The Theatre Writing Fund is used to cover commission payments, liabilities arising through timing of script delivery and expenditure on shows and play development.

The Future Development Fund is held for future work and activity. This fund is considered by the Trustees when looking at the reserves policy.

The COVID Recovery Fund will ensure donations received for the recovery of the theatre's activities and fabric are used accordingly.

18. UNRESTRICTED FUNDS - GENERAL FUNDS

|  | Group<br>£     | Charity<br>£   |
|--|----------------|----------------|
| At 1 April 2021                            | 97,317         | 97,317         |
| Trading subsidiary deficit at 1 April 2021 | (20,229)       | -              |
| Incoming resources                         | 5,496,833      | 4,901,275      |
| Resources Expended                         | (5,464,494)    | (4,889,166)    |
| At 31 March 2022                           | <b>109,426</b> | <b>109,426</b> |

THE ENGLISH STAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

| 19. RESTRICTED FUNDS<br>Group and Charity | Balance<br>1 April<br>2021<br>£ | Income<br>£ | Transfers<br>£ | Expenditure<br>£ | Balance<br>31 March<br>2022<br>£ |
|---|---------------------------------|-------------|----------------|------------------|----------------------------------|
| Neville Blond Fund                        | 16,082                          | -           | -              | -                | 16,082                           |
| Clare McIntyre Fund                       | 11,238                          | 4,410       | -              | -                | 15,648                           |
| ACE Capital Project Fund                  | 276,152                         | -           | -              | (93,108)         | 183,044                          |
| Participation Fund                        | 37,845                          | 87,000      | -              | (110,569)        | 14,276                           |
| International Play Development            | 15,777                          | -           | -              | (5,560)          | 142,977                          |
| Capital Matched Funding                   | 157,478                         | 2,500       | -              | (55,593)         | 104,385                          |
| Writer Development                        | 26,500                          | 65,000      | -              | (49,149)         | 42,351                           |
| Legacy Fund                               | 34,808                          | 1,517       | -              | (1,000)          | 35,325                           |
|   |                                 |             | -              |                  |                                  |
| New Playwrights                           | 20,000                          | 113,882     | -              | (120,882)        | 13,000                           |
| Reopening Fund                            | 237,375                         | -           | -              | (183,997)        | 53,378                           |
| Cultural Recovery Fund                    | 378,025                         | -           | -              | (378,025)        | -                                |
|   |                                 |             | -              |                  |                                  |
|   | 1,211,280                       | 407,069     | -              | (997,883)        | 620,466                          |

The Neville Blond Fund was set up in 1987 to commemorate Neville Blond and is used to provide bursaries for young writers.

The Clare McIntyre Fund was set up in 2010 to support writers' attachments to the theatre.

The ACE Capital Project Fund is the grant awarded for the refurbishment project and will be depreciated proportionally.

The Participation Fund is dedicated to encouraging and developing young writers. We aim to show-case the work by putting on a bi-annual Young Writers Festival.

The International Play Development and Performance is dedicated to developing and nurturing playwriting talent outside the UK.

The Capital Matched Fund was set up to provide a matched contribution as part of the capital.

The Writer Development initiative supports the play development work of the Royal Court Theatre.

Legacy Fund relates to donations in memory of a member of staff that is to be put towards a project in the next year.

The New Playwrights initiative supports the development and production of plays at the Royal Court Theatre.

The Reopening Fund is made up of restricted funds donated to support the theatre and cultural recovery when the doors re-opened and we were able to stage work.

The Cultural Recovery Fund is a restricted fund from the Arts Council which enabled us to re-open with a programme of work under social distancing measures. The timetable for this work changed after theatres had to close in the first part of 2021 but we were able to carry funds forward.

**THE ENGLISH STAGE COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2022**

| <b>20. ENDOWMENT FUNDS</b>     | <b>2022</b> | <b>2021</b> |
|--------------------------------|-------------|-------------|
|                                | <b>£</b>    | <b>£</b>    |
| Balance at 1 April 2021        | 137,455     | 137,455     |
| Investment income              | -           | -           |
| Expenditure - management costs | -           | -           |
| Net gain/(loss) on revaluation | -           | -           |
| Balance at 31 March 2022       | 137,455     | 137,455     |

The endowment fund was received in 2008 and is used to support new commissions.

**21. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS**

|                    | <b>Tangible<br/>fixed assets</b> | <b>Investments</b> | <b>Net current<br/>assets/<br/>(liabilities)</b> | <b>Long term<br/>liabilities</b> | <b>2022<br/>Total</b> | <b>2021<br/>Total</b> |
|--------------------|----------------------------------|--------------------|--|----------------------------------|-----------------------|-----------------------|
|                    | <b>£</b>                         | <b>£</b>           | <b>£</b>   | <b>£</b>                         | <b>£</b>              | <b>£</b>              |
| Restricted funds   | -                                | -                  | 620,466  | -                                | 620,466               | 1,211,280             |
| Unrestricted funds | 467,129                          | -                  | 1,000,611  | -                                | 1,467,740             | 1,526,521             |
| Endowment funds    | -                                | -                  | 137,455  | -                                | 137,455               | 137,455               |
|                    | 467,129                          | -                  | 1,758,532  | -                                | 2,225,661             | 2,875,256             |

**PRIOR YEAR ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS**

|                    | <b>Tangible<br/>fixed assets</b> | <b>Investments</b> | <b>Net current<br/>assets/<br/>(liabilities)</b> | <b>Long term<br/>liabilities</b> | <b>2021<br/>Total</b> |
|--------------------|----------------------------------|--------------------|--|----------------------------------|-----------------------|
|                    | <b>£</b>                         | <b>£</b>           | <b>£</b>   | <b>£</b>                         | <b>£</b>              |
| Restricted funds   | -                                | -                  | 1,211,280  | -                                | 1,211,280             |
| Unrestricted funds | 574,286                          | -                  | 952,235  | -                                | 1,526,521             |
| Endowment funds    | -                                | -                  | 137,455  | -                                | 137,455               |
|                    | 574,286                          | -                  | 2,300,970  | -                                | 2,875,256             |

**22. CAPITAL**

The charity is a company limited by guarantee. Each Council member has undertaken to contribute £10 to the assets of the charity to meet its liabilities if called to do so. The total amount guaranteed by Council members at 31 March 2022 is £120 (2021: £140).

## THE ENGLISH STAGE COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 MARCH 2022

#### 23. RELATED PARTY TRANSACTIONS

The following transactions took place between the charity and council members during the year:

Anthony Burton is a solicitor whose firm, Simons, Muirhead & Burton, receives fees paid by the charity for ad hoc legal work separate from the work carried out by him in his capacity as a Council member for which he receives no remuneration. During the year, SMB received remuneration for their services of £NIL (2021: £9,262).

Judy Daish is a theatrical agent who receive commission from her clients, when contracted to the charity. During the year her agency received commissions of £14,176 (2021: £4,615).

During the year, Trustees made donations of £7,850 in aggregate (2021: £2,392).

All these transactions have been disclosed net of VAT.

#### 24. OPERATING LEASE COMMITMENTS

At 31 March 2022 the total of the Group's and Charity's future minimum lease payments under non-cancellable operating leases was:

|  | 2022 | 2021 |
|--|------|------|
|  | £    | £    |
| <b>Amounts payable:</b>                |      |      |
| Within 1 year                          | -    | -    |
| After 1 year but not more than 5 years | -    | -    |
| After 5 years                          | -    | -    |
| Total                                  | -    | -    |

English Stage Company agreed a new 15 year lease with Cadogan Estates in November 2020 and this was signed on 14 July 2022.

#### 25. FINANCIAL INSTRUMENTS

Financial assets measured at fair value through profit or loss comprise trade debtors and cash at the balance sheet date. Financial Liabilities measured at amortised cost comprise trade creditors at the balance sheet date.

|  | 2022      | 2021      |
|--|-----------|-----------|
|  | £         | £         |
| <b>Financial assets</b>  |           |           |
| Financial assets measured at fair value through profit or loss | 1,727,218 | 2,540,033 |
| <b>Financial liabilities</b>                                   |           |           |
| Financial liabilities measured at amortised cost               | 343,491   | 239,641   |

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2022

## 27. PRIOR YEAR GROUP AND CHARITY UNRESTRICTED FUNDS - DESIGNATED FUNDS

|   | Capital<br>Replacement Fund<br>£ | Theatre Writing<br>Fund<br>£ | Future<br>Developments Fund<br>£ | Covid<br>Recovery Fund<br>£ | £                |
|---|----------------------------------|------------------------------|----------------------------------|-----------------------------|------------------|
| At 1 April 2020                         | <b>174,152</b>                   | <b>267,840</b>               | <b>262,706</b>                   | -                           | <b>704,698</b>   |
| Sponsorship, donations and other income | -                                | -                            | -                                | -                           | -                |
| Transfers                               | 100,000                          | 40,000                       | -                                | 615,000                     | 755,000          |
| Expenditure                             | (10,265)                         | -                            | -                                | -                           | (10,265)         |
| At 31 March 2021                        | <b>263,887</b>                   | <b>307,840</b>               | <b>262,706</b>                   | <b>615,000</b>              | <b>1,449,433</b> |

See note 17 for description of each fund.

## 28. PRIOR YEAR UNRESTRICTED FUNDS - GENERAL FUNDS

|                                 | Group<br>£    | Charity<br>£  |
|---------------------------------|---------------|---------------|
| At 1 April 2020                 | <b>59,293</b> | <b>59,293</b> |
| Incoming resources              | 4,533,561     | 4,384,347     |
| Transfers from restricted funds | (755,000)     | (755,000)     |
| Resources Expended              | (3,760,766)   | (3,591,323)   |
| At 31 March 2021                | <b>77,088</b> | <b>97,317</b> |

## 29. PRIOR YEAR GROUP AND CHARITY RESTRICTED FUNDS

|                                | Balance<br>1 April<br>2020<br>£ | Income<br>£      | Transfers<br>£ | Expenditure<br>£ | Balance 31<br>March<br>2021<br>£ |
|--------------------------------|---------------------------------|------------------|----------------|------------------|----------------------------------|
| Neville Blond Fund             | 16,082                          | -                | -              | -                | 16,082                           |
| Clare McIntyre Fund            | 9,838                           | 1,400            | -              | -                | 11,238                           |
| ACE Capital Project Fund       | 369,260                         | -                | -              | (93,108)         | 276,152                          |
| Participation Fund             | 57,931                          | 36,000           | -              | (56,086)         | 37,845                           |
| International Play Development | 15,777                          | 28,859           | -              | (28,859)         | 15,777                           |
| Capital Matched Funding        | 210,574                         | 7,500            | -              | (60,596)         | 157,478                          |
| Writer Development             | 51,500                          | 60,000           | -              | (85,000)         | 26,500                           |
| Legacy Fund                    | 31,658                          | 4,510            | -              | (1,360)          | 34,808                           |
| Reopening Night                | -                               | 249,375          | -              | (12,000)         | 237,375                          |
| Cultural Recovery Fund         | -                               | 675,000          | -              | (296,975)        | 378,025                          |
| New Playwrights                | 20,000                          | 5,000            | -              | (5,000)          | 20,000                           |
|                                | <b>782,620</b>                  | <b>1,067,644</b> | <b>-</b>       | <b>(638,984)</b> | <b>1,211,280</b>                 |

See note 19 for description of each fund.