

Company number: 00556251
Charity Number: 233801

Pioneer Theatres Limited

Trading as “Theatre Royal Stratford East”

Report and financial statements
For the year ended 31 March 2021

Pioneer Theatres Limited (Theatre Royal Stratford East)

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Pioneer Theatres Limited (Theatre Royal Stratford East)

Reference and administrative information

For the year ended 31 March 2021

Company number	00556251 – incorporated in the United Kingdom
Charity number	233801 – registered in England and Wales
Registered office and Operational address	Gerry Raffles Square Stratford London E15 1BN
Trading name	Theatre Royal Stratford East
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: The Rt. Hon. Dame Margaret Hodge, Chair Mina Barber (resigned 24 March 2021) Andrew Cowan Cllr Joshua Garfield Dr Elizabeth Glyn Simon Haynes Christopher Hird Baroness Denise Kingsmill (resigned 16 June 2021) Deborah Mattinson Martin Pilgrim MBE Owen Pringle (resigned 16 June 2021) Bryan Raven Peter Wilson
Artistic Director	Nadia Fall
Executive Director	Eleanor Lang
Bankers	Natwest Bank plc, 1 Stratford Broadway London E15 4DX
Solicitors	Harbottle & Lewis 14 Hanover Square London W1R 0BE
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108 – 114 Golden Lane LONDON EC1Y 0TL

Chair's Statement

For the year ended 31 March 2021

Chair's Statement

2020-21 has been an unprecedented year, with COVID-19 impacting dramatically both locally and globally. The theatre sector has been particularly badly affected, with live indoor performances to an audience banned in the UK for most of the year. The constant changes in guidance have required continual replanning. The theatre has had to relook at its business model, its budgets, and sadly we were forced to make a small number of redundancies in November 2020.

Despite the challenges of the year, Theatre Royal Stratford East has continued to make work throughout the pandemic. Obviously much of our work has been digital, but we have been determined and able to expand our work in the community, particularly focused on young people in Newham who have been so badly affected by the pandemic.

Much of the work responded to issues of the moment, including a response piece from key workers, which was made into a film, *No Masks*, which we produced with Sky Arts. We also created 846 – 14 short audio pieces that responded to the killing of George Floyd. When we were allowed to have audiences we did – partnering with Greenwich & Docklands Festival on *846 Live*, and bringing Thick Skin's virtual reality piece, *Petrichor* to the theatre in December. Alongside this our Learning & Participation work kept going through lockdown, ensuring that our young people's programmes continued – online, and as soon as allowed face-to-face. We helped schools by providing additional resources to support home learning and we continued to engage with our community groups, providing contact during lockdowns.

On behalf of the Board I would like to warmly acknowledge and applaud the work and dedication of the whole team during this particularly challenging year, led by Nadia Fall, Artistic Director and Chief Executive and supported by Eleanor Lang, our Executive Director. From those on furlough, to those working longer hours to keep the organisation going, the year has not been easy for anyone. I would also like to extend my thanks to the trustees, who have provided additional support to the organisation during this time.

The trustees are also particularly grateful to Arts Council England and the Borough of Newham for their ongoing support, as well as to all our supporters, who have continued to stay with us during this time of closure. That support has been particularly invaluable this year.

Rt Hon Dame Margaret Hodge MP
Chair

Pioneer Theatres Limited (Theatre Royal Stratford East)

Trustees' annual report

For the year ended 31 March 2021

The trustees present their report and the audited group financial statements for the year ending 31 March 2021. The financial statements have been prepared in accordance with current statutory requirements; Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Principal activities

The objects of the charity as set out in the Articles of Association are:

to promote, maintain, improve, and advance education, particularly by the production of educational plays and the encouragement of the Arts, including the arts of drama, mime, dance, singing and music, and to formulate, prepare and establish schemes therefor provided that all objects of the Company shall be of a charitable nature.

Structure

Pioneer Theatres Limited (trading as Theatre Royal Stratford East) is constituted as a company limited by guarantee and is governed by its Memorandum and Articles of Association as amended 18th November 2015. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £10 per member of the charitable company.

Pioneer Theatres Limited has two wholly owned subsidiaries. The results of Stratford East Trading Limited are consolidated into these financial statements. Stratford East Productions Limited is a dormant company.

Our aims

Theatre Royal Stratford East (TRSE) has five key aims:

- to contribute to the development of a vibrant contemporary theatre industry that reflects the broad cultural diversity of urban British life;
- to place excellence, accessibility, diversity and education at the centre of the artistic offer;
- to celebrate the value of arts and creativity within the community with a programme of UK and international artists for the performance of drama, dance, comedy and music;
- to contribute towards social cohesion and the development of a harmonious and tolerant society; and
- to play a role in the social and economic development of East London, building on its role as a cultural flagship with a national and international reputation.

Objectives

The TRSE 2018-22 business plan outlines the following key objectives:

- Produce work of the highest artistic quality that is:
 - Popular: Theatre of the highest quality that seeks to move and entertain everyone
 - Political: Work that provokes discourse about the world we live in and our place within it
 - Inclusive: Stories that are representative of our East London home and speaks to a wider London audience and which strive for an expansive and imaginative portrayal of its diverse communities
- Build our audiences and increase re-attendance
- Ensure diversity and inclusion is central to everything we do
- Invest in our Grade 2 listed building

Trustees' annual report

For the year ended 31 March 2021

- Be environmentally sustainable
- Nurture and develop our staff
- Create and champion opportunities for a diverse range of artists
- Develop an emerging generation of talent
- Present a year-round participation programme for people of all ages
- Play a leading role within Newham and the East London area
- Raise the profile of TRSE
- Become financially resilient

ACTIVITY IN 2020-21

Public Benefit

Over the course of the year TRSE has fulfilled its charitable objectives through continuing to engage with the widest possible audiences, predominately via digital interaction, while also continuing its local work in Newham. This was a year like no other, but in 2020-21:

- 159,602 people watched or listened to our online work
- 21 artists were commissioned
- 33 online short films of our audio pieces were made
- 1 Sky Arts film was made
- 2 productions with 31 performances
- 11 pieces of digital content were made for young people
- 681 people saw live work
- Ran regular sessions for 146 young people
- Ran regular community sessions for 69 adults
- Screened our 2019 pantomime in Newham schools and care homes
- Employed 111 freelancers
- Set up a freelancer network, providing support and professional development
- Acted as a cultural leader and collaborated with other Arts organisations to make the case for cultural support during the pandemic
- Won an Olivier Awards for Noyes Fludde

Artistic Programme

The 2020-21 artistic programme had to be completely changed, with theatres required to close their doors to live audiences for the majority of the year. We cancelled four productions and postponed two more. We hoped to open with a festival of monologues and duologues in January 2021, but due to the third lockdown these were also postponed to later in 2021.

The programme during the year included:

No Masks: A community call out for key worker stories, creating a 'wall' of testimonies on our website. Our Youth Theatres made a sister piece, telling the stories of the children of key workers.

No Masks film: 5 testimonies were then adapted in a Sky Arts Film which premiered in September 2020. The film wove five stories together, and was written by Nadia Fall and Rebecca Lenkiewicz, directed by Nadia Fall and starred Lorraine Ashbourne, Anna Calder-Marshall, Anya Chalotra, Russell Tovey and Eamonn Walker, with Elijah Melhado from Stratford East's Youth Theatre.

846: 14 audio pieces from global majority writers, in response to the killing of George Floyd and the Black Lives Matter movement. Writers were: Samina Baig, Gurpreet Kaur Bhati, Eddie Botosio, Ishy Din, Clint Dyer, Nathan Powell, Lettie Precious, Avril E Russell, Carol Russell, Sumera Srivastav, Selina Thompson, David KS Tse, Nat Marcello White and Roy Williams

The piece was directed by Ola Ince with soundscape by Donato Wharton

846 Live: In partnership with Greenwich + Docklands International Festival and the Royal Docks team we developed five of the 846 pieces to be a live performance piece, performed in a basketball court in Woolwich as part of the festival in September 2020.

Petrichor: In December 2020, ThickSkin brought their virtual reality piece, Petrichor, to the theatre. Audiences of up to 20 at a time sat on the stage, watching a pre recorded play. Audiences could also watch at home.

Press Play Here: We commissioned five writers to write five monologues, originally to be performed around Newham. Due to increased lockdown, we filmed them at the theatre and distributed as online content. Writers commissioned were: Leo Butler, Robert Hyman, Alexander Luttley, Ambreen Razia and Daniel Ward. The pieces were directed by Eva Sampson and Sita Thomas.

Hysterical! A Hilarious History of Hysteria: We did a call out in January 2021 to D/deaf and disabled artists who had commissions ready to go. We had a fantastic response, and wished we could commission more, but we commissioned Rebecca Buckle's brilliant Hysterical!, making a filmed version performed by Rebecca, and directed by Mina Barber.

Learning & Participation

2020-21 was a challenging year for the Learning & Participation team, having to move to online engagement with most of our groups.

We moved our youth theatres online, continuing the programme through to summer 2020. This included creating three short films of performance poetry based on interviews with key worker children. In Autumn 2020 our youth theatre and Young Company restarted, and have continued to run, working towards a performance in summer 2021. We have been able to do a mixture of live and online work, responding to guidelines. We ran two live workshops sessions in Newham Youth Zones. During the first lockdown the team made regular contact via phone with young people and their families to support mental wellbeing.

Our Young Actors programme showcased their work in a live zoom event, sharing pre recorded monologues they have worked on, with excellent industry attendance and audience of nearly 300.

We ran two digital summer schools, and a digital summer project. In the autumn half term we ran an live workshop week on stage for young people, and ran an online half term project in February 2021.

We produced regular support packs for schools during the first lockdown and created a virtual work experience offer for Newham schools. Subsequently we commission and produced a series of short films for schools, as digital resources to support their drama work.

We have also continued our work with community groups, creating resource packs during the first lockdown and ensuring that those without easy digital access also had support. We worked in Silvertown

producing a design workshop as part of the Fun Palaces weekend in October 2020. We moved our masterclass series online, and commissioned two artists to work with two local community groups in early 2021.

Trading Subsidiary

Our bar has been mothballed for the whole of the 2020-21 year. There were some costs, as we initially furloughed bar staff. Our Bar Manager was made redundant in November 2020, with the realisation that the bar would not open until late 2021.

Diversity

Diversity is at the heart of TRSE's way of working and our business plan and is championed by the Board and senior team. The killing of George Floyd in May 2020 and the subsequent Black Live Matter protests shone a light across the industry on the anti-racism work that still needs to be done in the sector. In October 2020, Closing the Gap was formed, a task force led by people with lived experiences of racism. The group meet monthly try to implement ways to level the playing field between people with lived experiences of racism and white people at Stratford East and within the wider industry; both personally and professionally. This has include working on the language we use, and rejecting the use of the term BAME.

We continue to programme work that reflects the diverse community in which we live. In particular this year we wanted to acknowledge that people who are ethnically and culturally diverse, and people who are D/deaf and disabled have been more adversely affected by the pandemic, and to reflect that in our programming. 61% of our creative teams and freelancers identified as people who are ethnically and culturally diverse, and 12% identified as D/deaf and disabled.

We continue to be a committed partner in the Ramps on the Moon consortium and have begun work towards our Ramps on the Moon production in 2023. Providing more digital content has allowed us to reach a wider range of audiences and provide content to those who are shielding. We have captioned all of our digital content, and also begun to audio describe and provide BSL versions as well. We continue to resource an Agent for Change role to embed meaningful change across TRSE.

Building

Our building was closed for most of the year, and we have carried out regularly building checks throughout the year, to ensure that the building did not deteriorate over this time. We also used the opportunity to carry out some building maintenance and redecoration. We had a leak over Christmas 2020 in the auditorium, resulting in an insurance claim. Fortunately, the damage was not widespread and not structural, and since the theatre was closed, there was no disruption. The remedial work was completed by April 2021.

Staffing

We furloughed most of our workforce in Spring/ Summer 2020, reducing to a small team to keep the core work and building going. From Autumn 2020, we have gradually phased staff back, using the flexi furlough scheme where possible. In September 2020 we when through a staff consultation, leading to 4 redundancies in November 2020, as well as renegotiating staff contracts to allow for Short Time Working. We have not had to draw on this, as a result of the extension to the furlough scheme.

Trustees' annual report

For the year ended 31 March 2021

Fundraising

During the year we raised a total of £425,161 from Trusts and Foundations, Corporates and individuals, a reduction of £132,124 from the amount raised in the previous year. Mainly responsible for this reduction was income from individual and corporate donors which dropped to £220,228 from £336,011 in 2019/20.

During the year we spent £169,271 on fundraising costs, or 40% of the funds raised. This compares with £163,952 (28% of funds raised) in the previous year.

The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities.

There is a dedicated permanent fundraising team at TRSE, led by a Director of Development. The Director of Development is supported by a Development Committee, which was formed in May 2019. The committee has a remit to advise and support on all fundraising activities. There are no commercial participators used.

TRSE closely follows the Code of Fundraising Practice and stays up to date with all compliance and regulation around fundraising.

TRSE is careful to protect the data of our supporters and is fully GDPR compliant. TRSE has not received any complaints about our fundraising activities. We do not approach members of the public to ask for charitable support.

FUTURE PLANS

In January 2021 we postponed three plays programmed for January - March 2021, with THE SUN, THE MOON, AND THE STARS moving to June 2021, and EXTINCT moved to July 2021, both opening with socially distanced audiences. We also moved the postponed SHINING CITY to open, hopefully with full audiences, to September 2021, and our postpone pantomime of RED RIDING HOOD to Christmas 2021. We plan to reopen the bar in September 2021, and are working on programming for 2022.

Our Learning & Participation work resumed in a live form in April 2021, with the youth theatres able to do live sharings of their work in June/ July, and the Young Company performing SCREAM FIRE and PUNK ROCK in July 2021. We will be running a summer programme, and are working towards a series of events as part of the NEWHAM UNLOCKED festival in autumn 2021.

Alongside this, from April 2021 we have been working with the London Borough of Newham's Youth Empowerment Service (YES) to reopen the building formerly known as Stratford Circus, now Stratford Youth Zone. We have entered into a short term partnership with them through to August 2022, with the ambition that it will be a cultural and creative hub for young people in Newham. Activity has been limited in the first few months, and we are working with Newham towards a fuller reopening in September 2022. Alongside work with young people, it will also provide space for rehearsal and for artist development.

Our priority for the 2021-22 year will be rebuilding post pandemic, making sure audiences and staff feel safe and confident returning to the building. We need to rebuild and grow our audiences and continue to make excellent artistic work on our stages and with young people and in our community, on reduced resources. We want to continue our anti-racism work, and our work with the Ramps on the Moon

Trustees' annual report

For the year ended 31 March 2021

consortium. We need to work with freelancers to make the industry a better place for them, and to prioritise working in a more sustainable way.

FINANCIAL REVIEW

Review of financial performance

TRSE this year received annual funding from Arts Council England of £1,125,847 (2019/20 £1,105,506).

Overall, income for the year was £3,004,326, down from £3,649,257 in 2019/20. Income from Arts Council England increased by £ 610,624 as we were in receipt of one-off grants for COVID emergency funding and the Cultural Recovery Fund. Other grants and donations amounted to £426,161 and were however lower than the £564,285 achieved in 2019/20, predominantly as a result of reduced income from Corporates and individuals. Also, as expected, income from productions reduced from £1,474,165 in 2019/20 to £504,233 in 2020/21; this drop would have been far greater if it were not for government support in the form of furlough income and business support grants, amounting to £431,477. Income from the trading subsidiary was reduced to £30,443 compared to £99,762 in 2019/20 due to the bar being closed throughout the year.

Total resources expended in the year were £1,962,939 (2019/20: £3,569,530). The reduction was, as expected, overwhelmingly the result of very low production activity during 2020/21, compared with a full slate of productions in 2019/20.

Overall, net income for the year to 31 March 2020 was £1,041,387 (2019/20 £79,727) resulting in funds carried forward increasing to £2,258,498 (2019/20 £1,164,384) at the end of the year.

Principal funding sources

TRSE was successful in its re-application to the Arts Council of England for National Portfolio Funding in 2017. The new agreement runs until April 2022. It will receive £1,105,506 per year for that time.

In 2020-21 TRSE was a recipient of Arts Council Emergency Funding in the first phase of the pandemic, followed by funding from the government's Cultural Recovery Fund. TRSE also received a second grant in the first quarter of 2021-22.

TRSE receives an annual grant from the London Borough of Newham of £256,500 per year (2019/20 £256,500).

Reserves

The Trustees believe the company should hold in reserves a sufficient cushion of funds to enable it to continue to exist through a period of reduced income and, should it be necessary to, wind up in an orderly fashion. The trustees consider the desirable level of unrestricted free reserves for these purposes to be £676,000, approximately equal to three months running and production costs. As at 31 March 2021 the group unrestricted reserves amounted to £ 2,126,498, which after deducting the Fixed Asset and Cultural Recovery Fund designations reduces to £1,301,730, which is in excess of the desirable level. However, reserves will reduce significantly as the theatre reopens and resumes with a full program of productions following the COVID shut-down. The aim is to maintain the reserve at the desired level, as well as maintaining a building reserve.

Pioneer Theatres Limited (Theatre Royal Stratford East)

Trustees' annual report

For the year ended 31 March 2021

As at 31 March 2021 the group restricted reserves amounted to £159,000 (2018/9 £15,000). The reserves balance relates to grants made during the year for projects beyond March 2020

As at 31 March 2021 the group unrestricted reserves amounted to £ 2,126,498 (2019/20 £1,259,165).

The current funds position shows restricted funds of £159,000 (2019/20 £15,000), designated funds of £1,424,768 (2019/20 £1,157,040) and general unrestricted funds £701,730 (2019/20 £72,071)

Going Concern

The Trustees have considered the question of going concern. Taking into account the current level of cash and reserves, the financial plans over the coming year, and remedial actions that could be taken if future income was significantly reduced, the Trustees are confident that the charity will be able to maintain the designated operational reserves of £500k and therefore continue as a going concern. Furthermore, there is strong historical evidence of support from the local authority, Arts Council England and other donors, and the Trustees believe that this support is likely to continue for the foreseeable future.

Principal Risks and Uncertainties

The major risks can be broken down into these categories.

COVID 19: the ongoing impact and uncertainty from the pandemic is the highest risk to the organisation. While social distancing is now ended, the organisation is still vulnerable to staff, in particular, show staff, catching Covid and having to isolate. In addition, the longer term impact of Covid on the economic environment, and audience confidence is still unknown.

Box office: We are anticipating a slow return to growth in box offices and forecast for the next few years are likely to be lower than normal. There is also risk around box offices if cancellations happened again due to another lockdown or cast/ crew illness.

Fundraising: We are enormously grateful to many of our donors who have supported us through our closure and continue to sort us. Our fundraising income was strong, but reduced during the pandemic, and we need to regrow this.

Core funding: We are currently submitting our Business Plan to Arts Council England for to confirm funding for 2022-23. We will in the next year need to submit our application for future funding to 2026. London Borough of Newham faces a difficult financial operating environment, exacerbated by the pandemic and this remains a key area of exposure. TRSE recognises the need to continue to diversify its income streams.

GOVERNANCE AND MANAGEMENT

Appointment of trustees

New trustees are elected to the Board by existing members. Annually, a third of the Board must retire and trustees may be eligible for re-election up to a maximum of nine years' service.

The Board regularly reviews the skills mix of the trustees and considers whether it adequately represents the community which it serves. Various methods are then adopted to identify and recruit potential trustees, if required.

Pioneer Theatres Limited (Theatre Royal Stratford East)

Trustees' annual report

For the year ended 31 March 2021

Trustee induction and training

All new trustees receive the support of staff and existing members of the Board during an induction period, as well as receiving key organisational documents.

Organisation and key management

The Board is responsible for the strategic management of the charitable company and the setting of policy. It has ultimate responsibility and control of the charitable company which it exercises through quarterly meetings of the Board and a Finance Committee. The key management is considered to be the Chief Executive and the Executive Director. The Board sets the pay and remuneration of the Chief Executive, informed by a benchmarking exercise of industry peers. The Chief Executive sets the pay and remuneration of the Executive Director, based on industry peers.

Related parties

The charitable company has a wholly owned subsidiary, Stratford East (Trading) Limited, which provides the bar and catering facilities at TRSE. It has a dormant subsidiary Stratford East Productions Limited, which is to be used in the case of commercial productions. It also has a related charity, Theatre Workshop Trust, which owns the freehold of the Theatre

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Pioneer Theatres Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the charitable company and enables 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.

In so far as the trustees are aware;

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Pioneer Theatres Limited (Theatre Royal Stratford East)

Trustees' annual report

For the year ended 31 March 2021

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

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 9 November 2021 and signed on their behalf by

Rt. Hon. Dame Margaret Hodge MP

Chair

Independent auditor's report

To the members of

Pioneer Theatres Limited (Theatre Royal Stratford East)

Opinion

We have audited the financial statements of Pioneer Theatres Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated and parent charitable company statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 and parent charitable company'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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and 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 Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Pioneer Theatres Limited'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.

Independent auditor's report

To the members of

Pioneer Theatres Limited (Theatre Royal Stratford East)

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the group financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or

Independent auditor's report

To the members of

Pioneer Theatres Limited (Theatre Royal Stratford East)

- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 auditor's 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 are set out below.

Independent auditor's report

To the members of

Pioneer Theatres Limited (Theatre Royal Stratford East)

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report

To the members of

Pioneer Theatres Limited (Theatre Royal Stratford East)

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

Date: 16 December 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2021

		Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £
	Notes						
Income from:							
Donations and legacies	2	2,231,199	187,433	2,418,632	1,753,517	172,274	1,925,791
Charitable activities	3						
Theatre		504,233	–	504,233	1,474,165	–	1,474,165
Education and workshops		520	–	520	4,312	–	4,312
Other trading activities	4	80,941	–	80,941	243,066	–	243,066
Investment income		–	–	–	1,923	–	1,923
Total income		2,816,893	187,433	3,004,326	3,476,983	172,274	3,649,257
Expenditure on:							
Raising funds	5	229,488	–	229,488	284,634	–	284,634
Charitable activities							
Theatre		1,514,067	43,433	1,557,500	3,075,475	71,024	3,146,499
Education and workshops		175,951	–	175,951	138,397	–	138,397
Total expenditure		1,919,506	43,433	1,962,939	3,498,506	71,024	3,569,530
Net income / (expenditure) for the year	6	897,387	144,000	1,041,387	(21,523)	101,250	79,727
Transfers between funds		–	–	–	100,000	(100,000)	–
Net movement in funds		897,387	144,000	1,041,387	78,477	1,250	79,727
Reconciliation of funds:							
Total funds brought forward		1,229,111	15,000	1,244,111	1,150,634	13,750	1,164,384
Total funds carried forward		2,126,498	159,000	2,285,498	1,229,111	15,000	1,244,111

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements.

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Balance sheets

Company no. 00556251

As at 31 March 2021

		Group		Charity	
	Notes	2021 £	2020 £	2021 £	2020 £
Fixed assets:					
Tangible assets	10	518,956	557,040	518,656	553,224
Investments	11	–	–	2	2
		518,956	557,040	518,658	553,226
Current assets:					
Stock of goods for resale		4,167	4,028	–	–
Debtors	13	345,057	457,694	427,695	531,640
Cash at bank and in hand		2,193,540	1,016,396	2,114,865	963,185
		2,542,764	1,478,117	2,542,560	1,494,825
Liabilities:					
Creditors: amounts falling due within one year	14	(526,221)	(791,047)	(510,193)	(757,365)
Net current assets		2,016,543	687,071	2,032,367	737,460
Total assets less current liabilities		2,535,499	1,244,111	2,551,025	1,290,686
Creditors: amounts falling due after one year	15	(250,001)	–	(200,000)	–
Net assets		2,285,498	1,244,111	2,351,025	1,290,686
Funds:					
Restricted funds	16a	159,000	15,000	159,000	15,000
Unrestricted funds:					
Designated funds		1,424,768	1,157,040	1,424,768	1,157,040
Charitable funds		767,258	118,646	767,258	118,646
Non charitable trading (deficit)		(65,528)	(46,575)	–	–
Total unrestricted funds		2,126,498	1,229,111	2,192,026	1,275,686
Total funds		2,285,498	1,244,111	2,351,026	1,290,686

Approved by the trustees on 9 November 2021 and signed on their behalf by

Dame Margaret Hodge
Chair

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Consolidated statement of cash flows

For the year ended 31 March 2021

	Note	2021 £	£	2020 £	£
Cash flows from operating activities					
Net income for the reporting period (as per the statement of financial activities)		1,041,387		79,727	
Depreciation charges		59,221		56,136	
(Increase)/decrease in stocks		(139)		(4,028)	
(Increase)/decrease in debtors		112,637		25,610	
Increase/(decrease) in creditors		(264,825)		(37,650)	
Net cash provided by operating activities		948,280		119,795	
Cash flows from investing activities:					
Purchase of fixed assets		(21,137)		(118,818)	
Bank loans		250,001		–	
Net cash (used in) investing activities		228,864		(118,818)	
Change in cash and cash equivalents in the year		1,177,144		977	
Cash and cash equivalents at the beginning of the year		1,016,396		1,015,419	
Cash and cash equivalents at the end of the year	a	2,193,540		1,016,396	
Analysis of cash and cash equivalents and of net debt					
	At 1 April 2020 £	Cash flows £	Other non- cash changes £	At 31 March 2021 £	
Cash at bank and in hand	1,016,396	1,177,144		2,193,540	
a Total cash and cash equivalents	1,016,396	1,177,144		2,193,540	
Total	1,016,396	1,177,144	–	2,193,540	

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Notes to the financial statements

For the year ended 31 March 2021

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

b) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

c) Statutory information

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East" is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is Theatre Royal Stratford East, Gerry Raffles Square, Stratford, London, E15 1BN.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

d) Consolidation

The Statement of Financial Activities (SoFA) and Balance Sheet consolidate the financial statements of the charitable company and its subsidiary, Stratford East (Trading) Limited. The results of the subsidiary are consolidated on a line by line basis in accordance with FRS 102 – section 9 and the Charities SORP (FRS 102) – section 24.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Stratford East (Trading) Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet.

Details of Stratford East (Trading) Limited are given in note 12 of the financial statements.

A separate statement of financial activities for the Charitable Company has not been presented because the Charitable Company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

e) Going concern

Detailed financial projections have been prepared for the period of 12 months from the date of approval of these financial statements which indicate that the charitable company and group will have sufficient financial resources to continue to be able to meet its liabilities as they fall due. The trustees have carefully considered these financial projections, level of funding and other matters relevant to TRSE and believe that it is appropriate for the financial statements to be prepared on a going concern basis.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

f) Incoming resources

Incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

Income from theatre admission fees is included in incoming resources in the period in which the relevant performance takes place. Income related to productions or lettings in a subsequent period is treated as deferred income.

Income from commercial activities is included in the period in which the group is entitled to receipt.

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable unless the donor has specified that the donation or grant relates to a future period or that certain pre-conditions must be fulfilled before use. In these cases amounts received are recognised in the relevant period or when the pre-conditions have been met and until then treated as deferred income. Donations and grants for particular purposes are included in incoming resources as restricted funds.

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Notes to the financial statements

For the year ended 31 March 2021

1 Accounting policies (continued)

f) Incoming resources (continued)

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

g) 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.

h) Resources expended

Expenditure is accounted for on an accruals basis.

Costs of generating funds are those costs incurred in attracting voluntary income to support the activity of the theatre, and costs incurred in commercial trading activities to raise funds.

Charitable activity costs include all direct expenditure associated with the staging of productions and educational programmes together with support costs allocated to those activities.

Support costs are the costs of central and administrative functions, which are allocated to activity cost categories on the basis of time spent by staff on those activities.

Governance costs are those costs associated with the governance arrangement of the charitable company including costs associated with strategic management and constitutional and statutory requirements.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose, including costs incurred by the trading subsidiary.
- Expenditure on charitable activities includes the costs of running the theatre and its productions, and other educational activities undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Cost of new productions

The cost of materials, creative team fees and other related set up costs of a new production are carried forward and written off when the production is first performed to a fee paying audience. Ongoing labour and related production costs which occur throughout the life of the production are expensed as incurred. Where production set up costs have been incurred prior to the year end, but the production has not yet opened to the fee paying public, the set up costs are carried forward at the balance sheet date as deferred production costs until such time as the production opens.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on the direct costs per activity as a proportion of total direct costs, of the amount attributable to each activity

- | | |
|-------------------------|----|
| • Raising funds | 0% |
| • Theatre costs | 0% |
| • Education & Workshops | 0% |

k) Taxation

The charitable company is considered to pass the tests set out in Paragraph I Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charitable company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

l) Fixed asset investments

The Statement of Recommended Practice requires investments to be stated at market value. The investment of the charitable company consists of the investment in the subsidiary, an unquoted company. The trustees consider it appropriate to include this investment at cost. See note 12 for more details.

Investments in subsidiaries

Investments in subsidiaries are at cost.

Notes to the financial statements

For the year ended 31 March 2021

1 Accounting policies (continued)

m) Tangible fixed assets

Individual fixed assets consisting of more than £250 are capitalised at cost.

Tangible fixed assets are depreciated at rates calculated to write off each asset over its anticipated useful life. The rates used are:

• Computer equipment	4 years straight line basis
• Other	4 years straight line basis
• Auditorium	20 years straight line
• Production equipment	8 years straight line basis

Assets in the course of construction are not depreciated until they are brought into use.

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

n) Stock

Stock comprises catering and bar consumables for resale and is stated at the lower of cost and net realisable value.

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

o) Debtors

Debtors include amounts owed to the charity for the provision of goods and services or amounts the charity has paid in advance for the goods or services it will receive. Debtors are measured at their recoverable amount.

Other debtors and prepayments are recognised at the settlement amount due.

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

p) Cash at bank and in hand

Cash at bank and cash 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.

q) 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. Other creditors and accruals are normally recognised at their settlement amount due.

r) Financial instruments

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

s) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements. Expenditure which meets these criteria is charged to the fund.

t) Pension costs

The theatre makes contributions to a defined contribution pension scheme, on behalf of eligible employees, at a rate determined by the trustees.

u) Operating leases

Rental charges are charged against income on a straight line basis over the term of the lease.

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Notes to the financial statements

For the year ended 31 March 2021

2 Income from donations and legacies

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Arts Council of England						
– Revenue Grant	1,125,847	–	1,125,847	1,105,506	–	1,105,506
– Transition Fund	32,123	–	32,123	–	–	–
– Emergency and Cultural Recovery Grants	578,501	–	578,501	–	–	–
London Borough of Newham						
– Revenue grant	256,000	–	256,000	256,000	–	256,000
– Newham Giving Fund	–	–	–	–	–	–
– Black History Month	–	1,000	1,000	–	7,000	7,000
The Austin Hope and Pilkington Trust	1,000	–	1,000	–	–	–
Foyle Foundation	–	–	–	–	–	–
The Linbury Trust	–	–	–	–	100,000	100,000
New Wolsey Theatre	–	7,500	7,500	–	7,500	7,500
Garfield Weston	–	155,178	155,178	–	–	–
Garrick Charitable Trust	–	4,000	4,000	–	–	–
Jack Petchey Foundation	–	–	–	–	1,500	1,500
National Theatre Connections	–	–	–	–	1,750	1,750
Esmée Fairbairn Foundation	17,500	5,755	23,255	50,000	–	50,000
The John Thaw Foundation	–	2,000	2,000	–	–	–
Equity Charitable Trust	–	–	–	–	2,500	2,500
Worshipful Company of Basketmakers	–	5,000	5,000	–	5,000	5,000
Theatres Trust Foundation – Reopening fund	–	5,000	5,000	–	–	–
Tate & Lyle	–	2,000	2,000	–	–	–
West Ham Foundation	–	–	–	–	4,674	4,674
Harold Hyam Wingate Foundation	–	–	–	–	10,000	10,000
Bunbury Family Trust	–	–	–	1,000	–	1,000
Aspers Good Causes Fund	–	–	–	–	6,750	6,750
Kings College London	–	–	–	–	600	600
The London Community Foundation	–	–	–	–	25,000	25,000
Gerald & Gail Ronson Family Trust	–	–	–	5,000	–	5,000
Rothschild Grant	–	–	–	–	–	–
Sir John Cass's Foundation	–	–	–	–	–	–
Santander Charitable Giving Fund	–	–	–	–	–	–
St James's Place Charitable Foundation	–	–	–	–	–	–
Aziz Foundation	–	–	–	–	–	–
Corporate and individual donors	220,228	–	220,228	336,011	–	336,011
	2,231,199	187,433	2,418,632	1,753,517	172,274	1,925,791

Grants – Association of London Government and London Boroughs

In accordance with sub-section 37(4) of the Local Government and Housing Act 1989, these grants have been fully utilised in accordance with the terms under which they were originally granted and have been fully expended on revenue items in the normal course of the charitable company's business.

3 Income from charitable activities

	2021 Total £	2020 Total £
Theatre		
Box office receipts	10,432	1,087,154
Touring and co-productions	50,522	297,604
Front of house	414	56,922
Theatre hire	10,510	19,190
Royalties	878	7,166
Other income	431,477	6,129
Education and workshops	520	4,312
Total income from charitable activities	504,753	1,478,477

All income from charitable activities is unrestricted. Other income includes £392,387 received via the HMRC Job Retention Scheme.

4 Income from other trading activities

	2021 Total £	2020 Total £
Commercial Trading (note 12)	30,443	99,762
Corporation tax rebate	50,498	143,304
	80,941	243,066

All income from other trading activities is unrestricted.

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Notes to the financial statements

For the year ended 31 March 2021

5a Analysis of expenditure (current year)

	Charitable activities						
	Raising funds £	Theatre costs £	Education & Workshops £	Governance costs £	Support costs £	2021 Total £	2020 Total £
Staff costs (Note 7)	155,901	799,221	111,773	–	319,970	1,386,865	1,923,896
Theatre production freelance	–	67,389	–	–	–	67,389	210,688
Theatre production costs	–	17,192	–	–	–	17,192	868,488
Theatre running costs	–	90,966	–	–	85,325	176,291	198,251
Theatre fundraising costs	4,404	1,451	–	–	–	5,855	54,824
Press and publicity	–	9,398	–	–	43,355	52,753	61,981
Education and workshops	–	–	5,329	–	–	5,329	5,154
Commercial trading	5,450	–	–	–	–	5,450	40,258
General office and administration	–	–	–	–	144,366	144,366	128,654
Depreciation	3,516	50,219	–	–	5,486	59,221	56,136
Audit fees	–	–	–	26,540	–	26,540	9,975
Legal and professional fees	–	734	–	–	14,956	15,690	10,730
Board meeting expenses	–	–	–	–	–	–	497
	169,271	1,036,570	117,102	26,540	613,458	1,962,941	3,569,532
Support costs	57,720	499,328	56,409	–	(613,458)	(1)	(1)
Governance costs	2,497	21,602	2,440	(26,540)	–	(1)	(1)
Total expenditure 2021	229,488	1,557,500	175,951	–	–	1,962,939	3569530.5
Total expenditure 2020	284,634	3,146,499	138,397	–	–		3,569,530

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Notes to the financial statements

For the year ended 31 March 2021

5a Analysis of expenditure (prior year)

	Charitable activities					
	Raising funds £	Theatre costs £	Education & Workshops £	Governance costs £	Support costs £	2020 Total £
Staff costs (Note 7)	164,742	1,324,648	107,760	–	326,746	1,923,896
Theatre production freelance	–	210,688	–	–	–	210,688
Theatre production costs	–	868,488	–	–	–	868,488
Theatre running costs	–	80,852	–	–	117,399	198,251
Theatre fundraising costs	35,936	18,888	–	–	–	54,824
Press and publicity	–	12,016	–	–	49,965	61,981
Education and workshops	–	–	5,154	–	–	5,154
Commercial trading	40,258	–	–	–	–	40,258
General office and administration	–	–	–	–	128,654	128,654
Depreciation	6,206	43,106	–	–	6,824	56,136
Audit fees	–	–	–	9,975	–	9,975
Legal and professional fees	–	8,438	–	–	2,292	10,730
Board meeting expenses	–	–	–	497	–	497
	247,142	2,567,124	112,914	10,472	631,880	3,569,532
Support costs	36,881	569,930	25,068	–	(631,880)	(1)
Governance costs	611	9,445	415	(10,472)	–	(1)
Total expenditure 2020	284,634	3,146,499	138,397	–	–	3,569,530

Notes to the financial statements

For the year ended 31 March 2021

6 Net income / (expenditure) for the year

	Group 2021 £	2020 £
This is stated after charging:		
Depreciation	59,221	56,136
Auditor's remuneration (excluding VAT):		
Audit (Group)	14,550	14,280
Other services	11,990	4,695
Operating lease costs	3,504	3,504

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	1,113,736	1,098,542
Non NI Salaries and wages	48,117	597,811
Social security costs	93,549	95,692
Pension costs	38,162	39,538
Total employee costs	1,293,564	1,831,583
Freelance staff	52,819	57,759
Commercial trading	40,482	34,554
Total staff costs	1,386,865	1,923,896

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021 No.	2020 No.
£60,000 – £69,999	1	2

No trustees received any remuneration or benefits in kind in their capacity as a trustee during the year (2020: none).

No trustees had travel and subsistence expenses reimbursed in the year (2020: £35).

One trustee, Mina Barber, who resigned as a trustee on 24th March 2021, received payments of £2,800 during the period for work as a production director.

The key management of the Charity comprise of the Trustees, the Executive Director and the Artistic Director.

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £135,817 (2020: £147,618).

8 Staff numbers

The average weekly number of employees (head count based on number of staff employed) during the year was 65 (2020: 103).

	2021 No.	2020 No.
Fundraising	3	4
Productions	28	61
Press and Publicity	4	5
Education	2	3
Support and Administration	25	28
Trading Activities	3	2
	65	103

Employee time has been allocated either;

- i) To direct costs on a percentage of the time spent by an employee on an activity
- ii) To support costs allocated on a percentage basis over all the costs

Notes to the financial statements

For the year ended 31 March 2021

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Stratford East (Trading) Limited distributes under Gift Aid available profits to the parent charity. Its charge to corporation tax in the year was:

	2021 £	2020 £
UK corporation tax at 19%	-	-

10 Tangible fixed assets

Group	Equipment & Furniture £	Building Improvements £	Total £
Costs			
As at 1 April 2020	384,900	480,208	865,108
Additions	21,137	-	21,137
Disposals	-	-	-
At 31 March 2021	406,037	480,208	886,245
Depreciation			
As at 1 April 2020	221,570	86,498	308,068
Charge for the year	35,807	23,414	59,221
Disposals	-	-	-
At 31 March 2021	257,377	109,912	367,289
Net book value 31 March 2021	148,660	370,296	518,956
31 March 2020	163,330	393,710	557,040
Charity			
Costs			
As at 1 April 2020	335,412	480,208	815,620
Additions	21,137	-	21,137
Disposals	-	-	-
At 31 March 2021	356,549	480,208	836,757
Depreciation			
As at 1 April 2020	175,898	86,498	262,396
Charge for the year	32,291	23,414	55,705
Disposals	-	-	-
At 31 March 2021	208,189	109,912	318,101
Net book value 31 March 2021	148,360	370,296	518,656
31 March 2020	159,514	393,710	553,224

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31 March 2021

11 Investments

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Shares in group undertakings	-	-	2	2

12 Net income from the subsidiary trading activities

The wholly owned trading subsidiary Stratford East (Trading) Limited, is a company registered in England and Wales. The company number is 03074042, and the registered office address is Theatre Royal Stratford East, Gerry Raffles Square, Stratford, London, E15 1BN. All activities have been consolidated on a line by line basis in the statement of financial activities. The trading company distributes its available taxable profits to the charitable company under gift aid. Stratford East (Trading) Limited provides the bar facilities at the Theatre Royal.

The charity owns the entire issued share capital of 2 ordinary shares of £1 each. The trustees Dame Margaret Hodge, Martin Pilgrim, Joshua Garfield, Peter Wilson and Christopher Hird are also directors of the subsidiary.

A summary of the trading results of the subsidiary is shown below:

	2021	2020
	£	£
Turnover	30,429	99,425
Cost of sales	(21,490)	(45,349)
Administrative expenses	(27,958)	(35,670)
Net profit/(loss)	(19,019)	18,407
Other income and bank interest	14	337
Retained in subsidiary	(19,005)	18,744

The aggregate of the assets, liabilities and reserves was:

Fixed assets	299	3,815
Current assets	85,343	61,010
Creditors: amounts falling due within one year	(151,224)	(111,399)
Total net liabilities	(65,582)	(46,575)
Aggregate share capital and reserves	(65,582)	(46,575)

The charity also owns the entire issued share capital of 1 ordinary share of £1 of Stratford East Productions Limited, a company incorporated in England. The company number is 05369063, and the registered office address is Theatre Royal Stratford East, Gerry Raffles Square, Stratford, London, E15 1BN. Stratford East Productions Limited has been dormant throughout the year and given its immateriality has not been included in the consolidated accounts.

Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2021	2020
	£	£
Gross income	2,786,450	3,377,221
Result for the year	1,060,392	60,983

Notes to the financial statements

For the year ended 31 March 2021

13 Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	73,919	73,460	72,074	69,788
Amounts owed from group undertakings	–	–	84,483	77,618
Accrued income	42,392	81,974	42,392	81,974
Other debtors	4,046	17,581	4,046	17,581
Prepayments	14,925	11,630	14,925	11,630
Deferred production costs	48,986	11,551	48,986	11,551
Corporation tax	160,789	261,498	160,789	261,498
Total current debtors	345,057	457,694	427,695	531,640

14 Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	55,368	52,363	48,486	39,111
Taxation and social security	28,329	26,296	28,329	26,296
Other creditors	122,531	211,672	117,585	195,442
Accruals	145,548	422,088	141,348	417,888
Deferred income (note 16)	174,445	78,628	174,445	78,628
	526,221	791,047	510,193	757,365

Included in other creditors above is an amount due in relation to pension schemes of £5,463 (2020: £11,244).

15 Creditors: amounts falling due after one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	250,001	–	200,000	–
Deferred income (note 16)	–	–	–	–
Amounts owed to group undertakings	–	–	–	–
Amounts due under finance leases	–	–	–	–
	250,001	–	200,000	–

Bank loans totalling £250,001 (2020: £NIL) are part of the government backed CBILS scheme.

15 Deferred income

Deferred income movements in the year were as follows:

	At 1 April 2020	Released in year	Deferred in year	At 31 March 2021
	£	£	£	£
Group and Charity				
Box office advance income	71,878	(71,878)	174,445	174,445
	–	–	–	–
Grants for Educational Work	5,000	–	–	5,000
Future Events income	1,750	–	–	1,750
	78,628	(71,878)	174,445	181,195

Notes to the financial statements

For the year ended 31 March 2021

16a Movements in funds (current year)

	At 1 April 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
Restricted funds:					
Theatres Trust Foundation	–	5,000	(5,000)	–	–
Garrick Charitable Trust	–	4,000	(4,000)	–	–
London Borough of Newham	–	1,000	(1,000)	–	–
New Wolsey Theatre	–	7,500	(7,500)	–	–
Garfield Weston Foundation		155,178	(11,178)		144,000
Tate & Lyle		2,000	(2,000)	–	–
Harold Hyam Wingate Foundation	10,000	–	–	–	10,000
Esmee Fairbairn Foundaion	–	5,755	(5,755)	–	–
The John Thaw Foundation	–	2,000	(2,000)	–	–
Worshipful Company of Basket Makers	5,000	5,000	(5,000)	–	5,000
Total restricted funds	15,000	187,433	(43,433)	–	159,000
Unrestricted funds:					
Designated Funds					
Fixed Assets	557,040	–	–	–	557,040
Building Fund	100,000	–	–	–	100,000
Operational Fund	500,000	–	–	–	500,000
Cultural Recovery Fund				267,728	267,728
	1,157,040	–	–	267,728	1,424,768
Unrestricted general funds	118,646	2,786,450	(1,870,110)	(267,728)	767,258
Non-charitable trading	(46,575)	30,443	(49,396)	–	(65,528)
Total unrestricted funds	1,229,111	2,816,893	(1,919,506)	–	2,126,498
Total funds	1,244,111	3,004,326	(1,962,939)	–	2,285,498

Transfers between funds

The transfer of £267,728 from *Unrestricted general funds* to *Cultural Recovery Fund* relates to the amount received from Arts Council England that had not yet been spent at the year end date.

Purposes of restricted funds

Funds given by *The Theatres Trust Foundation* were for re-opening the building safely following shut-down. The *Garrick Theatre Trust* grant was to contribute to the costs of creative teams and Lighting Directors on productions. The *New Wolsey Theatre* contributed £7,500 towards the cost of supporting the theatre's Agent For Change. The grant received from *The Garfield Weston Foundation* was to pay for technical equipment, to fund Learning and Participation work, and to contribute to the costs of producing the 2021 pantomime. The purpose of the *Tate & Lyle* grant was to fund Learning and Participation online resources. The grant from The Esmee Fairbairn Foundation was for computers, laptops and IT equipment. The John Thaw Foundation provided funds to run our summer school, which was delivered online in 2020. The grant from the *Harold Hyam Wingate Foundation* is to provide funding for the employment of Assistant Directors on future productions. Other funds listed as listed above have been given to support the theatre's programmes of work with young people and the local community.

Purposes of Designated funds

The trustees have this year decided to be explicit in showing the designations in the accounts. The *Fixed Assets* fund represents the net value of Fixed Assets at the end of March 2020. The *Building Fund* is allocated for the purpose of setting aside funds for essential major building repairs. The *Operational Fund* represents the amount required to cover liabilities and operating costs in the event of an orderly wind-up of operations if that situation were to arise.

Notes to the financial statements

For the year ended 31 March 2021

16b Movements in funds (prior year)

	At 1 April 2019	Income & gains	Expenditure & losses	Transfers	At 31 March 2020
	£	£	£	£	£
Restricted funds:					
Jack Petchey Foundation	–	1,500	(1,500)	–	–
National Theatre Connections	–	1,750	(1,750)	–	–
Equity Charitable Trust	–	2,500	(2,500)	–	–
The Linbury Trust	–	100,000	–	(100,000)	–
London Borough of Newham	–	7,000	(7,000)	–	–
New Wolsey Theatre	–	7,500	(7,500)	–	–
West Ham Foundation	–	4,674	(4,674)	–	–
Harold Hyam Wingate Foundation	–	10,000	–	–	10,000
Aspers Good Causes Fund	–	6,750	(6,750)	–	–
Kings College London	–	600	(600)	–	–
Sir John Cass's Foundation	8,750	–	(8,750)	–	–
Worshipful Company of Basket Makers	5,000	5,000	(5,000)	–	5,000
The London Community Foundation	–	25,000	(25,000)	–	–
Total restricted funds	13,750	172,274	(71,024)	(100,000)	15,000
Unrestricted funds:					
Designated Funds:					
Fixed Assets	–	–	–	557,040	557,040
Building Fund	–	–	–	100,000	100,000
Operational Fund	–	–	–	500,000	500,000
	–	–	–	1,157,040	1,157,040
Unrestricted general funds	1,216,005	3,377,221	(3,417,540)	(1,057,040)	118,646
Non-charitable trading	(65,371)	99,762	(80,966)	–	(46,575)
Total unrestricted funds	1,150,634	3,476,983	(3,498,506)	100,000	1,229,111
Total funds	1,164,384	3,649,257	(3,569,530)	–	1,244,111

Transfers between funds

Following discussion with The Esmée Fairbairn Foundation they agreed to the reclassification of their donation to support the work of the theatre in general, and the remaining unspent funds were moved from Restricted to Unrestricted.

Purposes of restricted funds

The Arts Council Transition Fund is an award from the Arts Council given in 2018 to support the new Artistic Vision and inaugural season of work under the newly appointed Artistic Director, Nadia Fall.

Funds given by The Foyle Foundation, The Linbury Trust, and the London Borough of Newham were to support our programme of capital works.

Other funds restricted as listed above have been given to support the theatre's programmes of work with young people.

17a Analysis of group net assets between funds (current year)

	General unrestricted	Restricted funds	Total funds
	£	£	£
Tangible fixed assets	518,956	–	518,956
Current assets	1,857,542	159,000	2,016,543
Creditors amount falling due after more than one year	(250,001)	–	(250,001)
Net assets at 31 March 2021	2,126,497	159,000	2,285,498

Notes to the financial statements

For the year ended 31 March 2021

17b Analysis of group net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	557,040	–	557,040
Current assets	672,070	15,001	687,071
Creditors amount falling due after more than one year	–	–	–
Net assets at 31 March 2020	1,229,110	15,001	1,244,111

18 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Equipment 2021 £	2020 £
Less than one year	3,504	3,504
One to five years	5,469	8,973
Over five years	–	–
	8,973	12,477

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Equipment 2021 £	2020 £
Less than one year	2,124	2,124
One to five years	4,779	6,903
Over five years	–	–
	6,903	9,027

19 Capital commitments

At the balance sheet date, the group had no capital commitments (2020: £nil) in respect of development works.

20 Future Commitments

The charitable company entered into a 15 year lease with the Theatre Workshop Trust in September 2020; this is currently rent free.

21 Legal charges

The Theatre is party to a legal charge in favour of the Arts Council of England of £13,744,599 on the Freehold and Leasehold land and buildings of the Theatre. This charge was originally taken out and held jointly and severally against Pioneer Theatres, Theatre Workshops Trust and Dramrail Limited (Dramrail Limited is the previous owner of the property now owned by Theatre Workshop Trust). However, Dramrail Limited was dissolved on 26 January 2010. The charge relates to funds provided mainly to the London Borough of Newham in respect of works to the Theatre and surrounding areas, and expires in 2021.

22 Related party transactions

Joshua Garfield (trustee) is a councillor for LB Newham who provide TRSE with funding during the year.

The following trustees of the charity are also directors of the subsidiary, Stratford East Trading Limited: Joshua Garfield, Christopher Hird, Margaret Hodge, Martin Pilgrim, and Peter Wilson

There are no other related party transactions to disclose for 2021 (2020: none).

23 Contingent assets or liabilities

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.