

Charity registration number 235218

Company registration number 00801532 (England and Wales)

**THE THEATRE ON THE STEPS LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

# THE THEATRE ON THE STEPS LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr I Reddihough Mrs. C Reddihough Mrs S Britton Mrs K Baker
<b>Charity number</b>	235218
<b>Company number</b>	00801532
<b>Registered office</b>	Stoneway Steps Bridgnorth Shropshire United Kingdom WV16 4BD
<b>Independent examiner</b>	Azets Column House London Road Shrewsbury Shropshire United Kingdom SY2 6NN

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# THE THEATRE ON THE STEPS LIMITED

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# THE THEATRE ON THE STEPS LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 AUGUST 2022

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The Trustees present their annual report and financial statements for the year ended 31 August 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the company's Memorandum and Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016)

### **Objectives and activities**

The company's objects are to promote, encourage and increase the appreciation and understanding of the arts generally and to encourage and assist in the advancement of education in that belief. The principal activity continues to be the provision of stage performances.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the company should undertake.

During the year the company was unable to produce its full range of music and dance and theatre due to the Covid pandemic. However, we did manage to stage more shows this year and towards the end of the year were almost back to normal. We also received an income grant under the Omicron Hospitality and Leisure Covid support scheme.

### **Achievements and performance**

The company continued to produce a varied calendar of artistic and cultural performances and events for the public benefit.

The trustees have reviewed the activities of the charity in line with the Charity Commission guidance and confirm that they continue to be for the public benefit.

### **Financial review**

The company has managed to retain many of its forward bookings and has a full programme for the forthcoming year, that, along with grant aid received, means that the company remains in a strong position.

The financial position is set out in the Statement of Financial Activities on page 4.

It is the policy of the company that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the company's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Trustees have assessed the major risks to which the company is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### **Plans for future periods**

The company has pretty much a full programme booked for the coming year, and unless there are problems or restrictions due to Covid, the 2022/23 should see us increase the number of shows and our turnover.

### **Structure, governance and management**

Theatre on the Steps Limited was set up in 1964 and is a charitable company limited by guarantee.

The company is governed by its memorandum and articles of association.

# THE THEATRE ON THE STEPS LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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The Trustees who served during the year were

Mr I Reddihough  
Mrs. C Reddihough  
Mrs S Britton  
Mrs A France  
Mrs K Baker

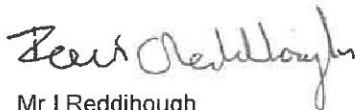
(Resigned 20 September 2021)

Trustees are recruited from members and friends of the theatre and other volunteers and are nominated by existing members. Friends and volunteers are elected to the management committee (council of management) at the AGM.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £5 in the event of a winding up.

The company is managed by a Management Board.

The Trustees' report was approved by the Board of Trustees.



Mr I Reddihough  
**Director**

25 May 2023

# THE THEATRE ON THE STEPS LIMITED

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF THE THEATRE ON THE STEPS LIMITED

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I report to the Trustees on my examination of the financial statements of The Theatre on the Steps Limited (the company) for the year ended 31 August 2022.

#### **Responsibilities and basis of report**

As the Trustees of the company (and, where relevant, also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Helen Tinsley, FCCA

A2ets

Column House  
London Road  
Shrewsbury  
Shropshire  
SY2 6NN  
United Kingdom

Dated: 26 May 2023

# THE THEATRE ON THE STEPS LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds 2022 £	Total 2021 £
	Notes		
<b><u>Income from:</u></b>			
Donations & Government Grants	3	12,726	99,575
Bar sales, Youth Theatre and other miscellaneous income	4	41,583	6,800
Ticket sales		143,924	4,162
<b>Total income</b>		<u>198,233</u>	<u>110,537</u>
<b><u>Expenditure on:</u></b>			
Charitable activities	5	<u>163,058</u>	<u>77,404</u>
<b>Net income for the year/ Net movement in funds</b>		35,175	33,133
Fund balances at 1 September 2021		<u>148,951</u>	<u>115,818</u>
<b>Fund balances at 31 August 2022</b>		<u><u>184,126</u></u>	<u><u>148,951</u></u>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE THEATRE ON THE STEPS LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	9		41,328		43,740
<b>Current assets</b>					
Stocks	10	707		-	
Debtors	11	13,980		7,804	
Cash at bank and in hand		137,848		132,741	
		152,535		140,545	
<b>Creditors: amounts falling due within one year</b>	12	(9,737)		(35,334)	
Net current assets			142,798		105,211
<b>Total assets less current liabilities</b>			184,126		148,951
<b>Income funds</b>					
Unrestricted funds			184,126		148,951
			184,126		148,951

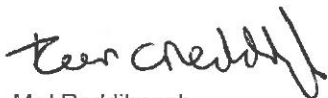
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2022.

The director acknowledges his responsibility for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 25 May 2023



Mr I Reddihough  
Trustee

Company registration number 00801532



# THE THEATRE ON THE STEPS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

##### Charity information

The Theatre on the Steps Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Stoneway Steps, Bridgnorth, Shropshire, WV16 4BD, United Kingdom.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the company's Memorandum and Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The company is a Public Benefit Entity as defined by FRS 102.

The company has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Where donors specify that donations and grants are for particular restricted purposes, this income is credited to Restricted Funds. Movements on Restricted Funds are shown in the Statement of Financial Activities.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the company.

#### 1.4 Incoming resources

Income is recognised when the company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grant income is included in incoming resources when the charity is legally entitled to the income and, in accordance with applicable accounting standards, in the period in which it is received.

# THE THEATRE ON THE STEPS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is recognised on an accruals basis as a liability is incurred and is classified by activity.

Costs of generating funds comprise fundraising and publicity costs.

Charitable expenditure comprises those costs incurred in the delivery of activities. It includes both costs that can be attributed directly to those activities and those cost of an indirect nature necessary to support them.

Management and administration costs include general overhead expenses and costs associated with meeting the constitutional and statutory requirements of the charitable company.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Land and buildings	No depreciation
Land and buildings - integral features	10 years straight line
Plant and machinery	3 to 5 years straight line
Computers	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

# THE THEATRE ON THE STEPS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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### 1 Accounting policies

(Continued)

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

# THE THEATRE ON THE STEPS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations & Government Grants

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
COVID-19 government grant	12,667	99,500
Donations	59	75
	<u>12,667</u>	<u>99,500</u>
<b>Grants receivable for core activities</b>		
Arts Council Covid grant	10,000	90,000
Local council Covid grants	2,667	9,500
	<u>12,667</u>	<u>99,500</u>

### 4 Bar sales, Youth Theatre and other miscellaneous income

	Bar sales	Youth Theatre	Mast income	Total 2022	Mast income
	2022	2022	2022		2021
	£	£	£	£	£
Sales within charitable activities	30,141	5,692	5,750	41,583	6,800
	<u>30,141</u>	<u>5,692</u>	<u>5,750</u>	<u>41,583</u>	<u>6,800</u>

# THE THEATRE ON THE STEPS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 4 Charitable activities

	Bar Staffing costs purchases	and show expenses	Youth Theatre	Licences and sundries	Management Administration	Total 2022	Total 2021
	2022 £	2022 £	2022 £	2022 £	2022 £	2022 £	2021 £
Staff costs	4,102	22,987	-	-	-	27,089	24,393
Direct costs	11,097	84,306	6,962	193	-	102,558	16,729
Insurance	-	-	-	-	3,609	3,609	5,890
Light and heat	-	-	-	-	1,121	1,121	1,727
Repairs and maintenance	-	-	-	-	8,734	8,734	14,527
Postage and stationery	-	-	-	-	442	442	132
Telephone	-	-	-	-	2,767	2,767	2,052
Bank charges	-	-	-	-	5,655	5,655	1,789
Box Office rent	-	2,912	-	-	-	2,912	2,912
Rates	-	-	-	-	1,028	1,028	167
	15,199	110,205	6,962	193	23,356	155,915	70,318
Share of support costs (see note 6)	-	-	-	-	4,449	4,449	4,998
Share of governance costs (see note 6)	-	-	-	-	2,694	2,694	2,088
Unrestricted funds	15,199	110,205	6,962	193	30,499	163,058	77,404
<b>For the year ended 31 August 2021</b>							
Unrestricted funds	-	37,026	6,750	258	33,370		77,404
	-	37,026	6,750	258	33,370		77,404

# THE THEATRE ON THE STEPS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 6 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Depreciation	4,449	-	4,449	4,998	-	4,998
Independent Examiners fees	-	2,694	2,694	-	2,088	2,088
	<u>4,449</u>	<u>2,694</u>	<u>7,143</u>	<u>4,998</u>	<u>2,088</u>	<u>7,086</u>
Analysed between Charitable activities	<u>4,449</u>	<u>2,694</u>	<u>7,143</u>	<u>4,998</u>	<u>2,088</u>	<u>7,086</u>

### 7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, but some of them received expense reimbursements.

### 8 Employees

There were no employees during the year.

Employment costs	2022 £	2021 £
Staffing costs	<u>27,089</u>	<u>24,393</u>

# THE THEATRE ON THE STEPS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 9 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Computers £	Total £
<b>Cost</b>				
At 1 September 2021	192,008	43,543	510	236,061
Additions	1,345	692	-	2,037
At 31 August 2022	193,353	44,235	510	238,098
<b>Depreciation and impairment</b>				
At 1 September 2021	148,736	43,543	42	192,321
Depreciation charged in the year	4,181	98	170	4,449
At 31 August 2022	152,917	43,641	212	196,770
<b>Carrying amount</b>				
At 31 August 2022	40,436	594	298	41,328
At 31 August 2021	43,272	-	468	43,740

### 10 Stocks

	2022 £	2021 £
Finished goods and goods for resale	707	-

### 11 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Other debtors	3,135	3,959
Prepayments and accrued income	10,845	3,845
	13,980	7,804

### 12 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	2,035	2,898
Other creditors	5,280	29,046
Accruals and deferred income	2,422	3,390
	9,737	35,334

# THE THEATRE ON THE STEPS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 13 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	339	339

#### 14 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).