

Registered number: 01928541
Charity number: 292559

THEATRE DEVELOPMENT TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

THEATRE DEVELOPMENT TRUST
(A company limited by guarantee)

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THEATRE DEVELOPMENT TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Trustees

Nicholas Allott OBE
Kathryn Bennett (appointed 4 November 2020)
Kate Booth (appointed 4 November 2020)
Lounica Burns OBE
Jonathan Church OBE
Lucy Davies
Alexander Gavin
Niove Janis
Rebecca Kane Burton
Eleanor Lloyd
Catherine Mallyon
Jeremy Meadow
Patrick Murphy
Caroline Newling (resigned 18 November 2020)
Andre Ptaszynski (deceased 29 July 2020)
Dafydd Rogers
Edward Snape (appointed 4 November 2020)
Adam Speers
Dame Rosemary Squire
Kenneth Wax

**Company registered
number** 01928541

**Charity registered
number** 292559

Registered office 32 Rose Street
London
WC2E 9ET

Company secretary Julian Bird

Independent auditors Nyman Libson Paul LLP
Chartered Accountants
124 Finchley Road
124 Finchley Road
London
NW3 5JS

THEATRE DEVELOPMENT TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Bankers

Lloyds TSB Bank PLC
48 - 49 Strand
London
WC2N 5LL

Bank of Scotland PLC
600 Gorgie Road
Edinburgh
EH11 3XP

Barclays Bank PLC
93 Baker Street
London
W1A 4SD

Investment advisors

Investec Wealth and Investments Limited
2 Gresham Street
London
EC2 7QP

THEATRE DEVELOPMENT TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report together with the audited financial statements of the company for the year 1 January 2020 to 31 December 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the company qualifies as small under section 382 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The principal activity of the charity is the promotion and advancement of the dramatic and other performing arts for the benefit of the public through supporting the work of various charitable foundations together with the provision of grants to individuals.

Each year the Trustees review the objectives and activities to ensure they continue to reflect the aims. In carrying out this review the Trustees have considered the Charity Commission's general guidance on public benefit.

Achievements and performance

a. Review of activities

Theatre Development Trust is a company currently with the same directors and members as the Society of London Theatre. A non-interest bearing loan of £11,150,000 from Society of London Theatre is held by the company with the aim of generating an ongoing source of income enabling the charity to fulfil its aims and objectives.

The year was dominated by the Covid-19 pandemic and for the company in particular by the turbulent movements of the financial markets. Shortly after the pandemic hit the value of the company's investments had fallen by around £2m, representing nearly 40% of the opening reserves.

The directors put in place measures to restrict outgoing resources, pulling back on some grants and closing to new applications, in order to protect the company's finances. The second quarter saw a strong recovery in financial markets which consolidated through the remainder of the year, resulting in capital losses limited to £171,000 and a year end reserve position only marginally lower than at the start.

As the pandemic developed, a critical need was identified to support workers in the sector not supported by the various government grant schemes and in response the Theatre Artists Fund was created and run through the company. A massive fundraising effort was launched resulting in £4,629,000 paid out in grants, with the company covering all the costs of administering the scheme. The Theatre Artists Fund continues into 2021.

THEATRE DEVELOPMENT TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance (continued)

b. Investment policy and performance

The Trustees' investment powers are governed by the Memorandum and Articles of Association which permits the charity's funds to be invested in a wide range of securities and assets.

The Trustees' policy is to maintain a portfolio which generates a reasonable level of capital growth and income while operating at a low to medium risk profile. Detailed governance and strategy of the investments is delegated by the Trustees to the Investment sub-Committee, with specific investment decisions managed by the company's broker, Investec Wealth and Investment. At 31st December 2020 99.0% (2019: 99.3%) of investment assets were controlled through the broker.

Asset allocations are monitored closely and generally remained within target ranges although in the short term cash exceeded its target for working capital purposes. At the end of the year, the fall in market valuations brought equities close to the lower end of its range. Investment income decreased in the year to £467,987 (2019: £550,223) with a realised loss on disposal of £157,446 (2019: £3,708) and an unrealised loss on revaluation of £13,550 (2019: a gain of £1,366,008).

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Full details of the Trustees' reasoning for the adoption of the going concern basis, in the light of the recent and ongoing Covid-19 pandemic are included in the going concern note in the accounting policies section of the financial statements.

b. Reserves policy

The surplus on unrestricted or free reserves for current activities decreased during the year to £4,592,149 (2019: £4,684,173).

In light of the impact of Covid-19 and the ratio of the value of investments to reserves, the Trustees have reviewed the policy with regard to free reserves with a view to a more prudent approach. They have decided to amend the target to at least the projected expenditure of a typical year plus 20% (formerly 10%) of the carrying value of the fixed asset investment as a buffer against market fluctuations. The level continues to exceed this target at the year end, a position the Trustees consider appropriate given the further uncertainty surrounding recovery from the pandemic and future strategic aims of the company.

c. Asset cover for funds

The Trustees are of the opinion that, as at the balance sheet date, the assets are sufficient to meet the charity's obligations.

THEATRE DEVELOPMENT TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Structure, governance and management

a. Constitution

Theatre Development Trust is established as a company limited by guarantee and is registered as a charity with the Charity Commission. Its affairs, including the appointment of Trustees, are governed by its Articles of Association which allow the charity to undertake any activity covered by its objects with no specific restrictions and limits the liability of the Members in the event of the company being wound up to a sum not exceeding £10.

The Trustees of the charity are responsible for its overall management and control. The work of implementing the policies is carried out by the Board of Trustees which meets regularly. There are no paid employees.

b. Methods of appointment or election of Trustees

Potential trustees offer themselves up for consideration by the Board of Trustees. Where applications exceed the number of vacant positions an election is held. The Board can include independent trustees in addition to those who are also directors of the Society of London Theatre.

c. Policies adopted for the induction and training of Trustees

New Trustees receive copies of minutes of previous meetings and their induction and training includes meeting with key personnel and other Trustees and receiving relevant historical information

d. Risk management

The Board of Trustees is responsible for the management of the risks faced by the Charity. Risks are identified, assessed and controls established as appropriate. The Covid-19 pandemic has presented a significant new risk, particularly to the investment portfolio valuation and future income generation. The Trustees continue to monitor closely the performance of the investments and have initiated a reduction in the funding of charitable activities in 2020 as a precaution. Consequently the Trustees are satisfied that the major risks identified have been mitigated.

Plans for future periods

The priority in the immediate future will be to continue to support and operate the Theatre Artists Fund to meet the immediate need brought about by Covid-19. In addition, funds have been allocated to maintain the Theatre Helpline and to create a support package to promote and aid the recovery of the theatre sector in the wake of the closures.

The Trustees acknowledge that interest will be charged on the loan from Society of London Theatre from 1 January 2021 which will impact resources to an extent but intend to continue to support key partners in fulfilling its objectives. Creation of a longer term strategic plan has been deferred pending recovery outcomes.

THEATRE DEVELOPMENT TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Nyman Libson Paul LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 12 May 2021 and signed on their behalf by:



Eleanor Lloyd
(Trustee)



Kenneth Wax
(Trustee)

THEATRE DEVELOPMENT TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THEATRE DEVELOPMENT TRUST

Opinion

We have audited the financial statements of Theatre Development Trust (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the balance sheet, the statement of cash flows and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

THEATRE DEVELOPMENT TRUST
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THEATRE DEVELOPMENT TRUST
(CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion 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' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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
- 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' Report and from the requirement to prepare a Strategic Report.

THEATRE DEVELOPMENT TRUST
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THEATRE DEVELOPMENT TRUST
(CONTINUED)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, Charities Act 2011 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, reading minutes of meetings of those charged with governance, enquiries with management and review of accounting estimates. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

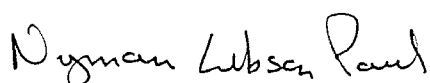
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

THEATRE DEVELOPMENT TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THEATRE DEVELOPMENT TRUST
(CONTINUED)

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. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jennifer Pope (senior statutory auditor)

for and on behalf of
Nyman Libson Paul LLP

Chartered Accountants
Statutory Auditors

124 Finchley Road

London

NW3 5JS

12 May 2021

THEATRE DEVELOPMENT TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	4	4,593,523	10,762	4,604,285	314,500
Investments	5	12,723	455,264	467,987	550,223
Total income		4,606,246	466,026	5,072,272	864,723
Expenditure on:					
Raising funds	6	-	62,218	62,218	64,805
Charitable activities		4,629,000	327,972	4,956,972	510,849
Total expenditure		4,629,000	390,190	5,019,190	575,654
Net (expenditure)/income before net losses on investments		(22,754)	75,836	53,082	289,069
Realised losses on investments		-	(157,446)	(157,446)	(3,708)
Net movement in funds before other recognised gains/(losses)		(22,754)	(81,610)	(104,364)	285,361
Other recognised gains/(losses):					
(Losses)/gains on revaluation of fixed asset investments		(3,136)	(10,414)	(13,550)	1,366,008
Net movement in funds		(25,890)	(92,024)	(117,914)	1,651,369
Reconciliation of funds:					
Total funds brought forward		290,312	4,684,173	4,974,485	3,323,116
Net movement in funds		(25,890)	(92,024)	(117,914)	1,651,369
Total funds carried forward		264,422	4,592,149	4,856,571	4,974,485

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 14 to 26 form part of these financial statements.

THEATRE DEVELOPMENT TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 01928541

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	10	15,878,013	16,143,723
		<u>15,878,013</u>	<u>16,143,723</u>
Current assets			
Cash at bank and in hand		165,341	122,474
		<u>165,341</u>	<u>122,474</u>
Creditors: amounts falling due within one year	11	(11,186,783)	(11,291,712)
		<u>(11,021,442)</u>	<u>(11,169,238)</u>
Net current liabilities			
		(11,021,442)	(11,169,238)
Total assets less current liabilities		<u>4,856,571</u>	<u>4,974,485</u>
Total net assets		<u>4,856,571</u>	<u>4,974,485</u>
Charity funds			
Restricted funds	12	264,422	290,312
Unrestricted funds	12	4,592,149	4,684,173
		<u>4,856,571</u>	<u>4,974,485</u>
Total funds		<u>4,856,571</u>	<u>4,974,485</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees on 12 May 2021 and signed on their behalf by:



Eleanor Lloyd
(Trustee)



Kenneth Wax
(Trustee)

The notes on pages 14 to 26 form part of these financial statements.

THEATRE DEVELOPMENT TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash flows from operating activities		
Net cash used in operating activities	(519,834)	(188,490)
Cash flows from investing activities		
Dividends, interests and rents from investments	467,987	550,223
Proceeds from fixed term deposits	-	250,000
Proceeds from sale of investments	2,265,135	998,775
Purchase of investments	(2,037,763)	(2,338,838)
Net cash provided by/(used in) investing activities	695,359	(539,840)
Change in cash and cash equivalents in the year	175,525	(728,330)
Cash and cash equivalents at the beginning of the year	572,477	1,300,807
Cash and cash equivalents at the end of the year	748,002	572,477

The notes on pages 14 to 26 form part of these financial statements

THEATRE DEVELOPMENT TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Theatre Development Trust is a company limited by guarantee and registered in England & Wales. The address of its registered office is 32 Rose Street, London, WC2E 9ET.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Theatre Development Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

2.3 Going concern

The charity meets its day to day working capital requirements through the utilisation of its own funds and a loan advanced by Society of London Theatre (SOLT) as disclosed in note 18. The charity utilised the loan from SOLT to invest in listed securities and generate ongoing income for the charity's operations. The value of investments fell in the early part of the year, but recovered to almost pre COVID levels. The reduction in the investment value was due to a cash withdrawal from the fund.

The UK theatre industry continues to be badly affected by the impact of COVID-19, with many theatres remaining closed for a substantial part of 2021. Whilst the full, final effect of these closures is not yet known, it is clear that SOLT's revenue streams have been and could continue to be severely impacted which has led to interest being levied on the loan from 1 January 2021.

The trustees have prepared updated forecasts and projections based on a number of potential scenarios and these, together with reserves held, indicate that it has adequate resources to continue its operations, albeit at a potentially lower level. It is, however, difficult to determine the assumptions that will prove to be most appropriate and therefore there is an element of uncertainty existing.

After reviewing the charity's forecasts and projections, at the time of approving these financial statements the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the next 12 months. The trustees therefore consider it appropriate to continue to adopt the going concern basis in preparing the charity's financial statements.

THEATRE DEVELOPMENT TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donation income is recognised when pledged by the donor.

Legacy income is recognised when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Dividends from investments are recognised when dividends are received.

Interest receivable from investments is recognised over the period in which it is earned

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

2.5 Expenditure

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

All expenditure is accounted for on the accruals basis. All expenses including support costs and governance costs are all allocated to the applicable expenditure headings.

Expenditure on raising funds comprises investment management fees.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.6 Interest receivable

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

THEATRE DEVELOPMENT TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Statement of Financial Position date, using closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Current asset investments are a form of basic financial instrument and are initially, and subsequently, recognised at their transaction value. Interest receivable is included in debtors and is recognised in the statement of comprehensive income.

2.8 Debtors

Debtors are recognised at their settlement amount.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

2.11 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.

Financial instruments include a loan from Society of London Theatre (note 19) which is repayable on demand.

THEATRE DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.12 Fund accounting

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following are the company's key sources of estimation uncertainty:

Accruals

The management makes an estimate of accruals at the year end based on invoices received after the year end which relate to the year and which have not been invoiced.

Valuation of fixed asset investments

The management makes an estimate of the fair value of fixed asset investments at the reporting date using quoted prices at that date.

4. Income from donations and legacies

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	4,593,523	10,762	4,604,285	14,500
Legacies	-	-	-	300,000
	<u>4,593,523</u>	<u>10,762</u>	<u>4,604,285</u>	<u>314,500</u>
Total 2019	<u>314,500</u>	<u>-</u>	<u>314,500</u>	

Restricted donations include £1,250,000 from Arts Council England (ACE).

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5. Investment income

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Dividends and interest receivable from listed investments	12,723	454,781	467,504	547,882
Bank interest receivable	-	483	483	2,341
	<u>12,723</u>	<u>455,264</u>	<u>467,987</u>	<u>550,223</u>
Total 2019	<u>1,751</u>	<u>548,472</u>	<u>550,223</u>	

6. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment management fees	<u>62,218</u>	<u>62,218</u>	<u>64,805</u>
Total 2019	<u>64,805</u>	<u>64,805</u>	

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7. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Total funds 2020 £	Total funds 2019 £
Charitable activities	4,956,972	4,956,972	510,849
Total 2019	510,849	510,849	

Analysis of direct costs

	Charitable activities 2020 £	Total funds 2020 £	Total funds 2019 £
Theatre Artist Fund grants	4,629,000	4,629,000	-
Olivier bursaries	-	-	67,121
Grants to institutions	288,007	288,007	442,994
COVID research	12,400	12,400	-
Theatre Artists Fund costs	26,913	26,913	-
Miscellaneous expenses	532	532	614
Governance costs	120	120	120
	4,956,972	4,956,972	510,849
Total 2019	510,849	510,849	

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of grants to institutions

	2020 £	2019 £
Mousetrap Theatre Projects	25,000	100,000
Theatre Investment Fund Limited (t/a Stage One)	13,012	103,009
UK Theatre Association	80,000	80,000
Theatres Trust	25,000	-
National Student Drama Festival	25,000	-
Polka Audience Development	-	5,000
Diversity in Casting	3,006	10,140
Workforce Training & Development	76,712	77,866
Access London Theatre	6,217	-
Family Arts	-	5,000
Parents Performing In Arts	1,000	-
Theatre Helpline	23,701	30,598
Dignity at Work	-	2,400
Theatre Craft	-	10,801
Dancers Career Development	-	10,000
Scottish Youth Theatre	-	5,000
Council for Dance and Musical Theatre	3,236	3,180
Back on Stage / See it Safely	6,123	-
	<u>288,007</u>	<u>442,994</u>

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Analysis of grants to individuals

	2020 £	2019 £
Restricted Theatre Artist Fund grants to individuals	4,629,000	-
Restricted grants to individuals	-	24,500
Unrestricted grants to individuals	-	42,621
	<u>4,629,000</u>	<u>67,121</u>

The grant to Mousetrap Theatre Projects was to support its work in the area of audience development and young people.

The grant to Theatre Investment Fund Limited (t/a Stage One) was to help provide bursaries to new & emerging theatre producers and support in the outreach project staff costs.

The grant to UK Theatre Association was to support its industry training initiatives.

The grant to Theatres Trust was for funding projects to improve access to venues.

The grant to National Student Drama Festival was to part fund the online festival for promoting career opportunities in the sector.

The grant to Diversity In Casting was to support producers by building a toolkit to make their casting more diverse.

The grant to Workforce Training & Development was to establish initiatives to address current and future skill shortages in the industry.

The grant to Access London Theatre was to fund the creation and publication of the guide to access for London theatres.

The grant to Family Arts was to fund work on increasing learning and understanding of engaging families in arts and culture.

The grant for Parents in Performing Arts was to help their work supporting individuals balancing parenting with a career in performing arts.

The grant to Theatre Helpline was to set up a helpline to support workers in the industry with guidance and help on a number of issues.

The grant to Council for Dance, Drama and Musical Theatre was to support its work in providing training to the dance, drama and music industry.

The grant to Back on Stage / See it Safely was to create guidance for theatres on how to make their venue Covid secure.

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9. Staff costs

The company has no employees other than the Trustees, who did not receive any remuneration or reimbursed expenses during the year (2019 - £Nil).

10. Fixed asset investments

	Listed investments £	Other investments £	Total £
Cost or valuation			
At 1 January 2020	15,693,720	450,003	16,143,723
Additions	2,073,258	(2,073,258)	-
Transfers out	-	(500,000)	(500,000)
Disposal proceeds	(2,265,135)	2,265,135	-
Loss on revaluations	(13,550)	-	(13,550)
Loss on disposal	(157,446)	-	(157,446)
Management charges	-	(62,218)	(62,218)
Investment income reinvested	-	467,504	467,504
At 31 December 2020	15,330,847	547,166	15,878,013
Net book value			
At 31 December 2020	15,330,847	547,166	15,878,013
At 31 December 2019	15,693,720	450,003	16,143,723

11. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other creditors	11,174,836	11,249,332
Accruals and deferred income	11,947	42,380
	11,186,783	11,291,712

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12. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds					
General Funds	4,684,173	466,026	(390,190)	(167,860)	4,592,149
Restricted funds					
The Sir Peter and Lady Saunders Olivier Bursary Fund	290,312	12,723	-	(3,136)	299,899
Theatre Artists Fund	-	4,593,523	(4,629,000)	-	(35,477)
	<u>290,312</u>	<u>4,606,246</u>	<u>(4,629,000)</u>	<u>(3,136)</u>	<u>264,422</u>
Total of funds	<u>4,974,485</u>	<u>5,072,272</u>	<u>(5,019,190)</u>	<u>(170,996)</u>	<u>4,856,571</u>

Restricted funds

The Olivier bursary fund exists to make grants to individual students within the theatrical industry.

The Sir Peter and Lady Saunders Olivier bursary fund is to be used to finance an annual bursary to a single student up to a maximum of £10,000, such amount to be reviewed every 5 years.

The Theatre Artists Fund is to be used to provide emergency support for theatre workers and freelancers across the UK. It is for theatre professionals who are in need of urgent and critical financial support due to the devastating impact of Covid-19 on the theatre sector.

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2019 £
Unrestricted funds					
General Funds	3,323,116	548,472	(548,804)	1,361,389	4,684,173
Restricted funds					
Olivier bursary fund	-	14,500	(14,500)	-	-
The Sir Peter and Lady Saunders Olivier bursary fund	-	301,751	(12,350)	911	290,312
	-	316,251	(26,850)	911	290,312
Total of funds	3,323,116	864,723	(575,654)	1,362,300	4,974,485

13. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Fixed asset investments	264,422	15,613,591	15,878,013
Current assets	-	165,341	165,341
Creditors due within one year	-	(11,186,783)	(11,186,783)
Total	264,422	4,592,149	4,856,571

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13. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Fixed asset investments	290,312	15,853,411	16,143,723
Current assets	-	122,474	122,474
Creditors due within one year	-	(11,291,712)	(11,291,712)
Total	290,312	4,684,173	4,974,485

14. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(104,364)	285,361
Adjustments for:		
Dividends, interests and rents from investments	(467,987)	(550,223)
Loss on the sale of fixed assets	157,446	3,708
Decrease in debtors	-	5,375
Increase/(decrease) in creditors	(104,929)	67,289
Net cash used in operating activities	(519,834)	(188,490)

15. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	165,341	122,474
Cash held by investment managers	582,661	450,003
Total cash and cash equivalents	748,002	572,477

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Analysis of changes in net debt

	At 1 January 2020	Cash flows	At 31 December 2020
	£	£	£
Cash at bank and in hand	122,474	42,867	165,341
	<u>122,474</u>	<u>42,867</u>	<u>165,341</u>

17. Members' liability

The charity does not have a share capital and is limited by guarantee. In the event of the Trust being wound up the maximum amount each member is liable to contribute is £10. At 31 December 2020 there were 227 members (2019: 227 members).

18. Related party transactions

At the reporting date an amount of £21,525 (2019: £95,019) was due to the Society of London Theatre, a company with the same Board of Directors and Members as the Theatre Development Trust.

In addition to the above there is an interest-free loan of £11,150,000 (2019: £11,150,000) from the Society of London Theatre to the Theatre Development Trust, to provide an ongoing source of finance for the charity.

Niove Janis, Eleanor Lloyd and Kenneth Wax who were Trustees of the charity in the year were also, for at least part of the year, Trustees of Theatre Investment Fund Limited (Stage One), a registered charity, to which grants were paid of £13,012 (2019: £103,009).