
THEATRE DEVELOPMENT TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

THEATRE DEVELOPMENT TRUST
(A company limited by guarantee)

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THEATRE DEVELOPMENT TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees	Nicholas Allott OBE (resigned 7 December 2022) Kathryn Bennett Thomas Bird (appointed 28 April 2023) Kate Booth (resigned 31 March 2022) Jonathan Church CBE Andrew Collier (appointed 28 April 2023) Lucy Davies (resigned 29 April 2022) Alan Finch (appointed 23 November 2022) Henrietta Finch (appointed 23 November 2022) Alexander Gavin Patrick Gracey Niove Janis Eleanor Lloyd Patrick Murphy Natalie Pelman Constantinides (appointed 23 November 2022) Dafydd Rogers (resigned 7 December 2022) Mark Rubinstein (appointed 23 November 2022) Edward Snape Dame Rosemary Squire Kenneth Wax Anna Williams (appointed 28 April 2023)
Company registered number	01928541
Charity registered number	292559
Registered office	32 Rose Street London WC2E 9ET
Independent auditors	Nyman Libson Paul LLP Chartered Accountants 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 2022

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 2022

The Trustees present their annual report together with the audited financial statements of the company for the 1 January 2022 to 31 December 2022. 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 with, at 31st December 2022, substantially the same directors and members as the Society of London Theatre. A 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. From 1st January 2021, an interest charge has been levied on the loan.

Recent years have seen greater volatility in financial markets which has impacted the company's investments and 2022 was no exception with significant losses brought about by political and economic events. Excluding transfers out during the year to cashflow activities, the investments fell by over 10% in value, resulting in a significant diminution of reserves.

Investment income recovered towards pre-pandemic levels and the company was able to engage across its principal focus of Workforce Training & Career Development, Audience Development and Access. In addition, the Theatre Artists Fund set up during the pandemic continued to raise funds and support theatre practitioners in the early part of the year. A pilot scheme was introduced under the Theatre Artists Fund banner to support placements in theatres across the UK.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 95.3% (2021: 91.7%) of investment assets were controlled through the broker.

Asset allocations are monitored closely and generally remained within target ranges. At the year end, the value of equities was at the lower end of the target range while fixed interest was towards the higher end of the range. Investment income decreased compared to the previous year at £429,977 (2021: £465,367) with a realised gain on disposal of £512,632 (2021: £516,165) and an unrealised loss on revaluation of £2,666,466 (2021: gain of £674,302).

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 are included in the going concern note in the accounting policies section of the financial statements.

b. Reserves policy

The Board have reviewed the calculation of free reserves and decided it should now be unrestricted reserves less any excess expenditure over income planned for the following 12 months less a provision for market volatility of 5% of the carrying value of fixed asset investments. At 31st December this figure was £1,801,194.

The Board have reviewed the reserves policy and have decided to amend the target for free reserves as follows:

- To hold 15% of the carrying value of the fixed asset investment – this is reduced from 20% to align with the magnitude of reduction in value experienced at the start of the Covid-19 pandemic, which the Board considers to be a prudent and appropriate level.
- In addition, to hold 3 months of expected grant payments (formerly one year of projected expenditure) to reflect the shorter term commitments being made to donees.

At the year end the actual level of free reserves is lower than this target of £2,302,700. The Trustees will continue to monitor this position closely but do not consider any adjustments to the 2023 budget to be necessary at this stage.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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. Method of appointment of Trustees

New Trustees are appointed by the Trustees.

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 together with economic and political circumstances have presented significant volatility in recent years. The Trustees continue to monitor closely the performance of the investments, level of reserves and extent of grant giving to ensure financial risks are mitigated.

Plans for future periods

The Trustees have embarked upon a review of the governance and are intent upon a review of the strategy and aims of the company. For the immediate future, the principal areas of focus will continue to be Workforce Training & Career Development, Audience Development and Access Requirements.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

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.

Approved by order of the members of the board of Trustees on 24 May 2023 and signed on their behalf by:



Eleanor Lloyd
(Trustee)

THEATRE DEVELOPMENT TRUST
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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 2022 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 2022 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 other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 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 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.

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
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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

24 May 2023

THEATRE DEVELOPMENT TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	4	1,060,335	-	1,060,335	4,560,644
Investments	5	10,386	419,591	429,977	465,367
Total income		<u>1,070,721</u>	<u>419,591</u>	<u>1,490,312</u>	<u>5,026,011</u>
Expenditure on:					
Raising funds	6	-	342,258	342,258	288,988
Charitable activities	7	1,818,805	499,826	2,318,631	3,660,637
Total expenditure		<u>1,818,805</u>	<u>842,084</u>	<u>2,660,889</u>	<u>3,949,625</u>
Net (expenditure)/income before net (losses)/gains on investments		<u>(748,084)</u>	<u>(422,493)</u>	<u>(1,170,577)</u>	<u>1,076,386</u>
Realised gains/(losses) on investments		(253)	512,885	512,632	516,165
Net movement in funds before other recognised gains/(losses)		<u>(748,337)</u>	<u>90,392</u>	<u>(657,945)</u>	<u>1,592,551</u>
Other recognised gains/(losses):					
(Losses)/gains on revaluation of fixed asset investments		(24,012)	(2,642,454)	(2,666,466)	674,302
Net movement in funds		<u>(772,349)</u>	<u>(2,552,062)</u>	<u>(3,324,411)</u>	<u>2,266,853</u>
Reconciliation of funds:					
Total funds brought forward		1,648,630	5,474,794	7,123,424	4,856,571
Net movement in funds		(772,349)	(2,552,062)	(3,324,411)	2,266,853
Total funds carried forward	13	<u>876,281</u>	<u>2,922,732</u>	<u>3,799,013</u>	<u>7,123,424</u>

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 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	10	14,560,483	16,917,859
		<u>14,560,483</u>	<u>16,917,859</u>
Current assets			
Debtors	11	421	403
Cash at bank and in hand		713,525	1,525,456
		<u>713,946</u>	<u>1,525,859</u>
Creditors: amounts falling due within one year	12	(11,475,416)	(11,320,294)
Net current liabilities		<u>(10,761,470)</u>	<u>(9,794,435)</u>
Total assets less current liabilities		<u>3,799,013</u>	<u>7,123,424</u>
Total net assets		<u><u>3,799,013</u></u>	<u><u>7,123,424</u></u>
Charity funds			
Restricted funds	13	876,281	1,648,630
Unrestricted funds	13	2,922,732	5,474,794
Total funds		<u><u>3,799,013</u></u>	<u><u>7,123,424</u></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 24 May 2023 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 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	15	(1,445,450)	744,127
Cash flows from investing activities			
Dividends, interests and rents from investments		429,977	465,367
Proceeds from sale of investments		2,879,570	2,908,153
Purchase of investments		(2,671,844)	(3,056,697)
Net cash provided by investing activities		637,703	316,823
Change in cash and cash equivalents in the year		(807,747)	1,060,950
Cash and cash equivalents at the beginning of the year		1,773,457	712,507
Cash and cash equivalents at the end of the year	16	965,710	1,773,457

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

THEATRE DEVELOPMENT TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 2019), 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. 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 to invest in listed securities and generate ongoing income for the charity's operation. The value of investments decreased significantly through 2022, and cash of £550,000 was withdrawn during the year to fund ongoing operations. Unrestricted reserves fell by almost £2,552,000 in the year.

From 2021, SOLT have levied an interest charge on the loan and given the current value of expenditure, it is expected that the charity will rely on a moderate level of long term annual capital return (3-4%) to finance operations without impacting on the current scope of grant giving. The current level of reserves is set with a view to weathering any short term adverse capital movements.

After reviewing the charity's 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 2022

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 received.

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.

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 and loan interest payable.

Expenditure on raising funds includes all expenditure incurred by the company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

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 18) which is repayable on demand.

THEATRE DEVELOPMENT TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	1,060,335	-	1,060,335	4,560,644
Total 2021	4,549,788	10,856	4,560,644	

Restricted donations include £280,000 (2021: 275,000) from Arts Council England (ACE).

THEATRE DEVELOPMENT TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Investment income

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Dividends and interest receivable from listed investments	10,386	419,580	429,966	465,367
Bank interest receivable	-	11	11	-
	<u>10,386</u>	<u>419,591</u>	<u>429,977</u>	<u>465,367</u>
Total 2021	<u>13,806</u>	<u>451,561</u>	<u>465,367</u>	

6. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Loan interest payable	278,750	278,750	223,000
Investment management charges	63,508	63,508	65,988
	<u>342,258</u>	<u>342,258</u>	<u>288,988</u>
Total 2021	<u>288,988</u>	<u>288,988</u>	

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7. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Total funds 2022 £	Total funds 2021 £
Charitable activities	2,318,631	2,318,631	3,660,637
Total 2021	3,660,637	3,660,637	

Analysis of direct costs

	Charitable activities 2022 £	Total funds 2022 £	Total funds 2021 £
Theatre Artist Fund grants	1,671,000	1,671,000	3,163,500
Olivier bursaries	68,873	68,873	-
Grants to institutions	451,902	451,902	469,946
Theatre Artists Fund costs	8,851	8,851	25,335
Miscellaneous expenses	3,200	3,200	1,856
Theatre Artists Fund placements	114,805	114,805	-
	2,318,631	2,318,631	3,660,637
Total 2021	3,660,637	3,660,637	

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8. Analysis of grants to institutions

	2022 £	2021 £
Go Live Theatre Projects	50,000	25,000
Theatre Investment Fund Limited (t/a Stage One)	97,326	97,239
UK Theatre Association	80,000	80,000
National Student Drama Festival	25,000	25,000
Society of London Theatre - Workforce Training & Development	116,631	60,784
Society of London Theatre - Access London Theatre	420	3,200
Parents in Performing Arts	-	2,000
UK Theatre Association – Theatre Support Line	16,464	17,947
Society of London Theatre - Back on Stage / See it Safely	45,639	114,447
Council for Dance and Musical Theatre	3,284	3,236
UK Theatre Association – Subscription Support	-	33,115
Parents in Performing Arts – Remote Working Toolkit	-	7,500
Writers' Guild of Great Britain – New Play Commission Scheme	10,000	-
Dancers Career Development	6,000	-
Other Grants to Institutions	1,138	478
	<u>451,902</u>	<u>469,946</u>

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Analysis of grants to institutions (continued)

The grant to Go Live Theatre Projects (formerly 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 and placements 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 National Student Drama Festival was to part fund the online festival for promoting career opportunities in the sector.

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

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

The grant to UK Theatre Association – Theatre Support Line 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 Society of London Theatre - Back on Stage / See it Safely was to create guidance for theatres on how to make their venue Covid secure.

The grant to Writers' Guild of Great Britain – New Play Commission Scheme was to support the development of the writing of new plays.

The grant to Dancers Career Development was to assist in re-training dancers in other careers in the performing arts.

Analysis of grants to individuals

	2022 £	2021 £
Restricted Theatre Artist Fund grants to individuals	1,671,000	3,163,500
	<u>1,671,000</u>	<u>3,163,500</u>

9. Staff costs

The company has no employees other than the Trustees, who did not receive any remuneration or reimbursed expenses during the year (2021 - £Nil).

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10. Fixed asset investments

	Listed investments £	Other investments £	Total £
Cost or valuation			
At 1 January 2022	16,669,858	248,001	16,917,859
Additions	2,671,844	(2,671,844)	-
Transfers out	-	(570,000)	(570,000)
Disposals	(2,879,570)	2,879,570	-
Loss on revaluations	(2,666,466)	-	(2,666,466)
Profit on disposal	512,632	-	512,632
Management charges	-	(63,508)	(63,508)
Investment income reinvested	-	429,966	429,966
At 31 December 2022	<u>14,308,298</u>	<u>252,185</u>	<u>14,560,483</u>
Net book value			
At 31 December 2022	<u>14,308,298</u>	<u>252,185</u>	<u>14,560,483</u>
At 31 December 2021	<u>16,669,858</u>	<u>248,001</u>	<u>16,917,859</u>

11. Debtors

	2022 £	2021 £
Due within one year		
Prepayments and accrued income	421	403
	<u>421</u>	<u>403</u>

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12. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other creditors	11,176,634	11,282,691
Accruals and deferred income	298,782	37,603
	<u>11,475,416</u>	<u>11,320,294</u>

13. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2022 £
Unrestricted funds					
General Funds - all funds	5,474,794	419,591	(842,084)	(2,129,569)	2,922,732
Restricted funds					
The Sir Peter and Lady Saunders Olivier Bursary Fund	297,819	10,386	(10,000)	(24,265)	273,940
Theatre Artists Fund	1,350,811	844,024	(1,671,000)	-	523,835
Theatre Artists Fund Placements	-	193,311	(114,805)	-	78,506
Olivier bursary	-	23,000	(23,000)	-	-
	<u>1,648,630</u>	<u>1,070,721</u>	<u>(1,818,805)</u>	<u>(24,265)</u>	<u>876,281</u>
Total of funds	<u>7,123,424</u>	<u>1,490,312</u>	<u>(2,660,889)</u>	<u>(2,153,834)</u>	<u>3,799,013</u>

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

Restricted funds

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.

The Theatre Artists Fund Placements are used to provide placements in theatre venues to develop staff in a variety of technical skills in the performing arts.

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

Statement of funds - prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds					
General Funds	4,592,149	462,417	(786,125)	1,206,353	5,474,794
Restricted funds					
The Sir Peter and Lady Saunders Olivier Bursary Fund	299,899	13,806	-	(15,886)	297,819
Theatre Artists Fund	(35,477)	4,549,788	(3,163,500)	-	1,350,811
	264,422	4,563,594	(3,163,500)	(15,886)	1,648,630
Total of funds	4,856,571	5,026,011	(3,949,625)	1,190,467	7,123,424

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Fixed asset investments	283,940	14,276,543	14,560,483
Current assets	592,341	121,605	713,946
Creditors due within one year	-	(11,475,416)	(11,475,416)
Total	876,281	2,922,732	3,799,013

Analysis of net assets between funds - prior year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Fixed asset investments	297,819	16,620,040	16,917,859
Current assets	1,350,811	175,048	1,525,859
Creditors due within one year	-	(11,320,294)	(11,320,294)
Total	1,648,630	5,474,794	7,123,424

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

	2022 £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(657,945)	1,592,551
Adjustments for:		
Dividends, interests and rents from investments	(429,977)	(465,367)
Profit on the sale of fixed assets	(512,632)	(516,165)
Increase in debtors	(18)	(403)
Increase in creditors	155,122	133,511
Net cash provided by/(used in) operating activities	(1,445,450)	744,127

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	713,525	1,525,456
Cash held by investment managers	252,185	248,001
Total cash and cash equivalents	<u>965,710</u>	<u>1,773,457</u>

17. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	1,525,456	(811,931)	713,525
	<u>1,525,456</u>	<u>(811,931)</u>	<u>713,525</u>

18. Related party transactions

During the year, expenditure (gross of irrecoverable VAT) totalling £185,290 (2021: 149,290) was made on behalf of Theatre Development Trust (TDT) by the Society of London Theatre (SOLT), a company with a Board of Directors and Members substantially in common with TDT. This expenditure has subsequently been reimbursed by TDT and as at the reporting date an amount of £26,634 (2021: £129,866) was due to SOLT by TDT.

In addition to the above there is a loan of £11,150,000 (2021: £11,150,000) from the Society of London Theatre to the Theatre Development Trust, to provide an ongoing source of finance for the charity. Since 1 January 2021 interest has been levied on the loan at 2% per annum to 30 June 2022 and 3% thereafter.

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 £97,326 (2021: £97,239).