

Company number: 00556251
Charity Number: 233801

Pioneer Theatres Limited

Trading as “Theatre Royal Stratford East”

Report and financial statements
For the year ended 31 March 2022



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Pioneer Theatres Limited (Theatre Royal Stratford East)

Contents

For the year ended 31 March 2022

Reference and administrative information	1
Chair's statement	2
Trustees' annual report	3
Independent auditor's report	12
Consolidated statement of financial activities (incorporating an income and expenditure account)	17
Balance sheets	18
Consolidated statement of cash flows	19
Notes to the financial statements	20

Pioneer Theatres Limited (Theatre Royal Stratford East)

Reference and administrative information

For the year ended 31 March 2022

Company number	00556251 – incorporated in the United Kingdom
Charity number	233801 – registered in England and Wales
Registered office and Operational address	Gerry Raffles Square Stratford London E15 1BN
Trading name	Theatre Royal Stratford East
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: The Rt. Hon. Dame Margaret Hodge, Chair Andrew Cowan (resigned 22 March 2022) Cllr Joshua Garfield Dr Elizabeth Glyn Patricia Hamzahee (appointed 29 September 2021) Simon Haynes Christopher Hird Baroness Denise Kingsmill (resigned 16 June 2021) Deborah Mattinson (resigned 22 March 2022) Martin Pilgrim MBE Owen Pringle (resigned 16 June 2021) Bryan Raven Peter Wilson
Artistic Director	Nadia Fall
Executive Director	Eleanor Lang
Bankers	Natwest Bank plc, 1 Stratford Broadway London E15 4DX
Solicitors	Harbottle & Lewis 14 Hanover Square London W1R 0BE
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108 – 114 Golden Lane LONDON EC1Y 0TL

Chair's Statement

For the year ended 31 March 2022

Chair's Statement

2021-22 has been another challenging year for the theatre sector, with further lockdowns at the start of the year which halted our planned reopening with live theatre. We were relieved and delighted to reopen the theatre in May 2021 (socially distanced) and finally at full capacity from September 2021.

Reopening has meant that we have been able to employ more people and deliver all our work with young people and our community in person again. We are facing some difficult new challenges; working to restore the confidence of our audience so that they come back to live performances; dealing with inflation; responding to the cost-of-living crisis and its impact on both our community and our staff. Despite this, it has been an absolute pleasure to be able to return to our core purpose of delivering live performance.

Our opening season responded to many of the challenges facing society today – with *The Sun, The Moon, and the Stars* looking at the fall out of a death from knife violence, and *Extinct* providing a chilling look at our future as the climate crisis worsens. We were also delighted to produce *Shining City*, originally programmed for 2020, and *After the End*. The new Covid variant last Christmas hit our actors, forcing us to cancel the last week and a half. But we managed over two thirds of pantomime performances and filled the theatre with schools and families again.

This year saw an expansion of our Learning & Participation work, as we partnered with the London Borough of Newham to operate Stratford Youth Zone, formerly Stratford Circus and we continue to work with them to develop a creative and cultural hub in Newham for young people. We also continued our support to freelancers through our East London Freelancers Network and will ensure this work continues into the future.

On behalf of the Board I would like to acknowledge the work and dedication of the whole team, led by Nadia Fall, Artistic Director and Chief Executive, and Eleanor Lang, Executive Director. The team responded brilliantly to the challenges involved in ensuring a safe reopening. I would also like to extend my heartfelt thanks to the trustees, who have provided additional support to the organisation during this time.

The trustees are grateful to DCMS and the Cultural Recovery Fund for the Covid specific support. We are also grateful to Arts Council England and the London Borough of Newham for their ongoing support, as well as to all our supporters who have stayed with us during this unique and difficult time when our doors have been closed.

We are determined to move forward with passion and energy to create great shows for our community and beyond and so fulfil our role as an important venue in the heart of East London.

Rt Hon Dame Margaret Hodge MP
Chair

Pioneer Theatres Limited (Theatre Royal Stratford East)

Trustees' annual report

For the year ended 31 March 2022

The trustees present their report and the audited group financial statements for the year ending 31 March 2022. The financial statements have been prepared in accordance with current statutory requirements; Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Principal activities

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

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

Structure

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

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

Our aims

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

- **Produce bold, exciting and outstanding theatre**

The quality of the work on the stages is vital to the success of TRSE, and it is crucial that the economic impact of the pandemic does not prevent us from taking creative risks and working with industry talent.

- **Grow our audiences**

The pandemic has set back our audience growth and disrupted the positive upward trajectory we were on. We are in a more uncertain environment in terms of audience confidence and appetite. Growing our audiences is a priority for TRSE over the next few years.

- **Develop creative talent**

We want to grow our talent development work, ensuring that the industry remains diverse and that barriers to working in the industry are reduced. We will work with young people and artists in East London to provide development and support. We want to centre this work and to be a flagship for talent development.

Three further aims underpin our organisational values and will be integral to the delivery of the first three aims.

- **Embed Representation, Belonging, and Justice in our organisation**

We want our organisation to reflect the community in which we work. We want the programming on our stage to speak to the people who come to the theatre. We want everyone who works with us to feel

empowered and supported, and we want our theatre to feel accessible to anyone, no matter their background.

- **Reduce our environmental impact**

Climate change is the biggest threat facing humanity. We want to ensure that we work in an environmentally responsible way, from how we make productions, to how we work in the office, and ensure that all decisions consider the environmental impact and how to reduce it.

- **Ensure we are resilient for the future**

The pandemic has inevitably challenged our finances, and we need to ensure that our financial position and business models ensure we are resilient for the future. We need to make sure that the choices we make and the work that we do balances risk, with ability to protect the charity long term.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities.

ACTIVITY IN 2021-22

Public Benefit

Over the course of the year TRSE has fulfilled its charitable objectives through continuing to engage with the widest possible audiences. The year saw the slow reopening of theatre, with our live work gradually replacing digital interactions. In 2021-22:

- 29,677 people saw our work on stage
- 24,966 people watched or listened to our online work
- 10 artists were commissioned
- 13 online short films or audio pieces were made
- 1 BBC radio drama was made
- 10 productions with 172 performances
- Engaged with 8,806 young people
- Ran regular community sessions for 76 adults
- Screened our pantomime in London hospices, hospitals and care homes
- Employed 168 freelancers
- Provided 24 free workshops for our freelance network.
- Engaged 200+ freelancers in our freelance network

Artistic Programme

The reopening of the theatre was delayed by the lockdown at the start of 2021, with theatre opening in a socially distanced way from May 21. We postponed our April-May production to the start of 2022. We reopened fully, without social distancing, and with our bar reopen in September 2021.

The programme during the year included:

Welcome to Iran: Nadia Fall's tender and witty snapshot of culture and life in modern Iran, which we were due to produce in April 2020, was adapted and broadcast on Radio 3.

Pioneer Theatres Limited (Theatre Royal Stratford East)

Trustees' annual report

For the year ended 31 March 2022

The Sun, The Moon and The Stars: Dipo Baruwa-Etti's new play explored trauma, rage and the extent one young woman will go to in her quest for justice. Directed for Nadia Fall, it was also live captured and broadcast online during the run.

★★★★ "A 60-minute solo tour de force... this is a blinder." *Evening Standard*

Extinct: April De Angelis' urgent new play took on the climate emergency head on using a tapestry of testimonials from environmental activists. Extinct was also live captured and broadcast. April De Angelis's dystopic climate drama is a powerful, urgent polemic" *The Guardian*

Shining City: Olivier Award-winning playwright Conor McPherson play was directed by Nadia Fall, with Brendan Coyle and Rory Keenan.

★★★★ "An immaculate revival of Conor McPherson's melancholy gem of a tale" *Daily Mail*

Maryland: Written by Lucy Kirkwood in response to the murders of Sarah Everard and Sabina Nessa, this one off script in hand reading was directed by Eva Sampson, and performed in Stratford Youth Zone.

Red Riding Hood: Written by Carl Miller and with music by Robert Hyman, panto return to Stratford. The production was also live captured and broadcast online over the Christmas period.

★★★★★ "Pure magic" *The Stage*

After the End: A timely revival of Dennis Kelly's postapocalyptic two-hander directed by Lyndsey Turner. "A gripping two-hander." ★★★★★ *Financial Times*

Marvin's Binoculars: This highly engaging and vibrant show from the Unicorn Theatre was performed over three weeks in Stratford Youth Zone to Newham Primary school children.

SLAMbition: a brand new monologue slam-style competition putting a spotlight on the incredible range of Deaf, disabled and neurodivergent talent that exists in the arts.

Learning & Participation

April 2021 saw the return to in person Learning & Participation sessions, albeit with occasional pauses for COVID, with the work based in Stratford Youth Zone. In July 2021 Learning and Participation staged two productions, *Punk Rock* and *Scream Fire*, with our Young Company (one of which was postponed from April).

Young Company, youth theatre and junior youth theatre all ran through to summer 2021, and new cohorts started in Autumn 2021. We ran two summer schools in August, as a holiday programme, as well as October half term project. We launched the pilot of our Young Technicians programme in Autumn 2021, and a new Future Leaders programme in March 2022.

In September and October 2021 we were part of the London Borough of Newham's Newham Unlocked Festival, working in Forest Gate Youth Zone, working with community groups to create a Lantern Parade in Stratford Park and creating a Fun Palace in Stratford Youth Zone. With the community we also created a short film. We have continued to engage and work with a number of community groups following on from Newham Unlocked via a legacy programme.

Pioneer Theatres Limited (Theatre Royal Stratford East)

Trustees' annual report

For the year ended 31 March 2022

Our schools work increased this year, as work in person with schools resumed. We worked with London Borough of Newham on their Cultural Enrichment Programme, bringing year 7s to pantomime, and creating a resource pack and teacher CPD around the programme. We ran a work experience week programme in February 2022, and technical theatre insight days for secondary schools. We continue to work with secondary schools in Newham creating bespoke support for them, responding to their needs to deliver a creative curriculum.

Trading Subsidiary

We reopened our bar in September 2021. Due to the closure the bar did sustain some losses (including having to get rid of stock) and trade on opening has not returned to pre-pandemic levels. The bar continues to be very dependent on the performances for trade. Our catering partner returned at the same time as we did. The Omicron Covid variant also hit the bar hard at Christmas, usually a busy time for us. As a result, in January 2022, we reduced our opening hours to cut costs, and ensure that the bar remains a going concern.

Representation, Justice and Belonging

Diversity and inclusion is at the heart of TRSE's way of working, and is championed throughout the organisation. All staff took part in anti-racism training this year, and all permanent staff had unconscious bias training. We have also undertaken substantial strategic work in this area, as we prepared our National Portfolio application, moving to a new focus of Representation, Justice and Belonging:

Representation: TRSE works to reflect the community of East London – in the make up of its Board, staff, freelancers, participants and audiences

Justice: TRSE works to create an equitable environment, where everyone working with us is empowered and supported to speak out against any injustice.

Belonging: TRSE is at the heart of its community. We work to ensure that every person who walks through our door feels like they belong.

Closing the Gap, our task force led by people from the Global Majority have continued to provide a space for conversation through their Spice Up Your lunch initiative, as well as providing peer to peer support for staff of the global majority. They have worked to identify key strategic areas to focus on in the coming year.

We continue to be a committed partner in the Ramps on the Moon consortium and have begun work towards our Ramps on the Moon production in 2023, with our SLAMbition showcase of D/deaf and disabled talent in March 2022. With the increase of digital work we have continued to ensure this is captioned, audio described and provide as a BSL version as well. We have overhauled our recruitment processes, to increase the accessibility of the process. We continue to resource an Agent for Change role to embed meaningful change across TRSE.

We continue to programme work that reflects the diverse community in which we live. This felt particularly important in our reopening, as a statement of our commitment to representation on our stages and in our creative teams. 61% of our creative teams and freelancers identified as Global Majority, and 12% identified as D/deaf and disabled.

Pioneer Theatres Limited (Theatre Royal Stratford East)

Trustees' annual report

For the year ended 31 March 2022

Building

Our building reopened fully this year, with the Bar the last part to reopen in September 2021. We adapted the building to make it more covid safe – with Perspex screen, sanitizing stations and socially distanced spaces where possible. We carried out a refurbishment of the Hedley and Dillon rehearsal rooms in March/April 2022. Alongside this we have been working on a capital maintenance strategy, to address more major replacement work that will need to take place within the next few years.

Staffing

We were grateful to the flexi-furlough scheme, for the flexibility it gave us in continuing to furlough staff as we reopened, gradually rebuilding the team. The last staff fully came off furlough in September 2021. We have had high staff turn over in the last year, with a number of staff leaving for new roles, and an industry wide staff shortage making retention and recruitment hard. We also recruited for new roles that hadn't been replaced during the pandemic, growing our staff team. With the additional of the operation of Stratford Youth Zone, the staff team has grown from 35 at the lowest point of the pandemic to over 100, including our casual staff team. We were deeply saddened in January 2022 by the death of two staff members, Harvey Parker, one of our Front of House Assistants, and Velma Fontaine, our longstanding HR & Admin Coordinator. Their friends and family remain in our thoughts.

Fundraising

During the year we raised a total of £466k from Trusts and Foundations, Corporates and individuals, a slight increase of £73k from the amount raised in the previous year. The main reason for this increase is income received from individual and corporate was £291k compared with £220k in 2020/21.

During the year we spent £187k on fundraising costs, or 40% of the funds raised. This compares with £229k (53% of funds raised) in the previous year.

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

There is a dedicated permanent fundraising team at TRSE, led by a Development Director. Our Development Director left in December 2021, with our new Development Director starting in May 2022. The Development Director is supported by a Development Committee, which was formed in May 2019. The committee has a remit to advise and support on all fundraising activities. There are no commercial participators used.

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

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

FUTURE PLANS

Having weathered Christmas this year we are more confident in our planning for the 2022-23 year and beyond. In April 2022 we commissioned and produced six script in hand readings responding to current

Pioneer Theatres Limited (Theatre Royal Stratford East)

Trustees' annual report

For the year ended 31 March 2022

political issues. We followed this with Ballet Black returning with their newest piece, for an extended run of two weeks and will be following that with the new musical of *Fantastically Great Women Who Changed the World* as our summer show.

In May 2022 we announced a year of work running from September 2022 through to summer 2023 including Anthony Neilson's *The Wonderful World of Dissocia*, our next pantomime, *Cinderella*, our *Ramps on the Moon* production, in a co-production with Nottingham Playhouse – a new play by Samson Hawkins, *Village Idiot*, and the UK premiere of Dave Harris' *Tambo & Bones*, in a co-production with Actors Touring Company.

We also announced three new schemes – Freelance Royalty – our development scheme for Freelancers at all stages of their career, Local Royalty – our ticket scheme for local residents and Young Royalty, our ticket scheme for 17–25-year-olds.

Our Learning & Participation team have ambitious plans for the year ahead with our Young Company performing a new piece on the main stage in July 2022, and the development of Young Techs Course and our Future Leader Course. We will continue to run a summer programme, as well as our acting programme, and are scaling up our work with adults in the community. We are also continuing to work closely with the London Borough of Newham to operate Stratford Youth Zone.

Our priority for 2022-23 is rebuilding our audiences post pandemic. As we increase the work programmed, we need to reach out to audiences and encourage them back. We will also focus on growing our Talent Development work, through our Learning & Participation scheme and our Royalty Scheme and will be looking at how we can deliver an increased programme, including modelling the resources and space that the programmes will need.

FINANCIAL REVIEW

Review of financial performance

TRSE continues to be in receipt of annual funding from Arts Council England of £1,125,847.

Overall, income for the year was £3,538,275, up from £3,004,326 in 2020/21. Further income received from Arts Council England was £380,530 from the Cultural Recovery Fund. Income from productions increased was £616,424 in 2021/22 (2020/2021: £504,753). Income from the trading subsidiary was also increased to £115,213 compared to £50,498 in 2020/2021 as post covid opening hours was introduced in September 2021. Theatre Tax Relief, at £169,688, was also an increase from £50,498 recorded in 2020/2021 reflecting increased activity on the stage as well as an increase of the TTR rate to 45% from October 2021.

Total resources expended in the year were £3,461,819 (2020/21: £1,962,939). The growth reflected the increase in the number of in-house productions and co-productions.

Overall, net income for the year to 31 March 2022 was £76,453 (2020/21 £1,041,387) resulting in funds carried forward increasing to £2,361,950 (2020/21: £2,285,498) at the end of the year.

Pioneer Theatres Limited (Theatre Royal Stratford East)

Trustees' annual report

For the year ended 31 March 2022

Principal funding sources

TRSE was successful in its re-application to the Arts Council of England for National Portfolio Funding in 2017. The current agreement runs until April 2022. In December 2022 ACE extended the annual funding agreement for a further year to April 2023. In May 2022 TRSE submitted an application for National Portfolio Funding for 2023-26 to ACE, with the outcome expected to be confirmed in October 2022.

In 2021-22 TRSE was a recipient of rounds two and three of the Culture Recover Fund.

TRSE receives an annual grant from the London Borough of Newham of £256,500 per year (2020/21 £256,500).

Reserves

The Trustees believe the company should hold in reserve a sufficient cushion of funds to enable it to continue to exist through a period of reduced income and, should it be necessary to, wind up in an orderly fashion. The trustees consider the desirable level of reserves for these purposes to be £676,000, approximately equal to three months running and production costs.

As at 31 March 2022 the group restricted reserves amounted to zero (2020/21: £159,000). The reserves balance relates to grants made during the year for projects beyond March 2022.

As at 31 March 2022 the group unrestricted reserves amounted to £2,361,949 (2020/21: £2,126,498).

The current funds position shows no restricted funds (2020/21: £159,000), designated funds of £1,504,000 (2020/21: £1,424,768) and general unrestricted funds £857,949 (2020/21: £701,730)

Going Concern

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

Principal Risks and Uncertainties

The major risks can be broken down into these categories.

Core funding: Arts Council England core funding is guaranteed to April 2023, but we are waiting on the outcome of funding for the 2023-26 period. London Borough of Newham faces a difficult financial operating environment, exacerbated by the pandemic and this remains a key area of exposure. TRSE recognises the need to continue to diversify its income streams.

Box office: Audiences have been slow to return to theatre for new writing and issue based plays and forecast for the next few years are likely to be lower than normal. There is also risk around box offices if cancellations happened again due to another lockdown or cast/ crew illness.

Pioneer Theatres Limited (Theatre Royal Stratford East)

Trustees' annual report

For the year ended 31 March 2022

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

COVID 19: While the risk of Covid has reduced substantially from a year ago, there is still the possibility of future variants, and some restrictions if winter cases rise. We remain vulnerable to staff, in particular, show staff, catching Covid and having to isolate.

Cost Management: Inflation and cost of living have both raised significantly and these costs have been considered in the strategy, forecasting and budgeting processes. Regarding energy and gas, the charity has a fixed agreement until September 2024.

GOVERNANCE AND MANAGEMENT

Appointment of trustees

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

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

Trustee induction and training

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

Organisation and key management

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

Related parties

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the charitable company and enables them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware;

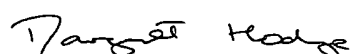
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2022 was 13 (2021:14). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

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

The trustees' annual report has been approved by the trustees on 4 October 2022 and signed on their behalf by



Rt. Hon. Dame Margaret Hodge MP

Chair

Independent auditor's report

To the members of

Pioneer Theatres Limited (Theatre Royal Stratford East)

Opinion

We have audited the financial statements of Pioneer Theatres Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated and parent charitable company statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2022 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

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

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

Independent auditor's report

To the members of

Pioneer Theatres Limited (Theatre Royal Stratford East)

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

Other Information

The other information comprises the information included in the trustees' annual report other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Independent auditor's report

To the members of

Pioneer Theatres Limited (Theatre Royal Stratford East)

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Capability of the audit in detecting irregularities

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

Independent auditor's report

To the members of

Pioneer Theatres Limited (Theatre Royal Stratford East)

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

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

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them

Independent auditor's report

To the members of

Pioneer Theatres Limited (Theatre Royal Stratford East)

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

Judith Miller (Senior statutory auditor)

24 October 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor

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

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

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

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

For the year ended 31 March 2022

				2022			2021
	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Income from:							
Donations and legacies	2	2,275,377	361,570	2,636,947	2,231,199	187,433	2,418,632
Charitable activities	3						
Theatre		608,520	-	608,520	504,233	-	504,233
Education and workshops		7,904	-	7,904	520	-	520
Other trading activities	4	284,901	-	284,901	80,941	-	80,941
Total income		3,176,702	361,570	3,538,272	2,816,893	187,433	3,004,326
Expenditure on:							
Raising funds	5	186,933	-	186,933	229,488	-	229,488
Charitable activities							
Theatre		2,146,171	520,570	2,666,741	1,514,067	43,433	1,557,500
Education and workshops		608,146	-	608,146	175,951	-	175,951
Total expenditure		2,941,250	520,570	3,461,820	1,919,506	43,433	1,962,939
Net income / (expenditure) for the year	6	235,452	(159,000)	76,452	897,387	144,000	1,041,387
Transfers between funds		-	-	-	-	-	-
Net movement in funds		235,452	(159,000)	76,452	897,387	144,000	1,041,387
Reconciliation of funds:							
Total funds brought forward		2,126,498	159,000	2,285,498	1,229,111	15,000	1,244,111
Total funds carried forward		2,361,950	-	2,361,950	2,126,498	159,000	2,285,498

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

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

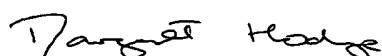
Balance sheets

Company no. 00556251

As at 31 March 2022

	Notes	Group 2022 £	2021 £	Charity 2022 £	2021 £
Fixed assets:					
Tangible assets	10	504,951	518,956	504,951	518,656
Investments	11	-	-	2	2
		<u>504,951</u>	<u>518,956</u>	<u>504,953</u>	<u>518,658</u>
Current assets:					
Stock of goods for resale		4,775	4,167	-	-
Debtors	13	348,753	345,057	464,848	427,695
Cash at bank and in hand		2,376,363	2,193,540	2,265,189	2,114,865
		<u>2,729,891</u>	<u>2,542,764</u>	<u>2,730,037</u>	<u>2,542,560</u>
Liabilities:					
Creditors: amounts falling due within one year	14	(825,391)	(526,221)	(812,144)	(510,193)
Net current assets		<u>1,904,500</u>	<u>2,016,543</u>	<u>1,917,893</u>	<u>2,032,367</u>
Total assets less current liabilities		<u>2,409,451</u>	<u>2,535,499</u>	<u>2,422,846</u>	<u>2,551,025</u>
Creditors: amounts falling due after one year	15	(47,501)	(250,001)	-	(200,000)
Net assets		<u>2,361,950</u>	<u>2,285,498</u>	<u>2,422,846</u>	<u>2,351,025</u>
Funds:					
Restricted funds	17a	-	159,000	-	159,000
Unrestricted funds:					
Designated funds		1,504,000	1,424,768	1,504,000	1,424,768
Charitable funds		918,846	767,258	918,846	767,257
Non charitable trading (deficit)		(60,896)	(65,528)	-	-
Total unrestricted funds		<u>2,361,950</u>	<u>2,126,498</u>	<u>2,422,846</u>	<u>2,192,025</u>
Total funds		<u>2,361,950</u>	<u>2,285,498</u>	<u>2,422,846</u>	<u>2,351,025</u>

Approved by the trustees on 4 October 2022 and signed on their behalf by



Dame Margaret Hodge
Chair

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Consolidated statement of cash flows

For the year ended 31 March 2022

	Note	2022 £	£	2021 £	£
Cash flows from operating activities					
Net income for the reporting period		76,452		1,041,387	
(as per the statement of financial activities)					
Depreciation charges		64,243		59,221	
(Increase)/decrease in stocks		(608)		(139)	
(Increase)/decrease in debtors		(3,697)		112,637	
Increase/(decrease) in creditors		299,170		(264,825)	
Net cash provided by operating activities			435,560		948,280
Cash flows from investing activities:					
Purchase of fixed assets		(50,238)		(21,137)	
Bank loans		(202,500)		250,001	
Net cash (used in) investing activities			(252,738)		228,864
Change in cash and cash equivalents in the year			182,822		1,177,144
Cash and cash equivalents at the beginning of the year			2,193,540		1,016,396
Cash and cash equivalents at the end of the year	a		2,376,362		2,193,540

Analysis of cash and cash equivalents and of net debt

	At 1 April 2021 £	Cash flows £	Other non- cash changes £	At 31 March 2022 £
Cash at bank and in hand	2,193,540	182,822	-	2,376,362
a Total cash and cash equivalents	2,193,540	182,822	-	2,376,362
Total	2,193,540	182,822	-	2,376,362

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies

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

a) Basis of preparation

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

b) Public benefit entity

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

c) Statutory information

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

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

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

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

d) Consolidation

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

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

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

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

e) Going concern

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

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

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

f) Incoming resources

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

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

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

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

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

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies (continued)

f) Incoming resources (continued)

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

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

g) Interest receivable

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

h) Resources expended

Expenditure is accounted for on an accruals basis.

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

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

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

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

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

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

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

i) Cost of new productions

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

j) Allocation of support costs

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

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

• Raising funds	6%
• Theatre costs	77%
• Education & Workshops	17%

k) Taxation

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charitable company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

l) Fixed asset investments

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

Investments in subsidiaries

Investments in subsidiaries are at cost.

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies (continued)

m) Tangible fixed assets

Individual fixed assets consisting of more than £2,000 are capitalised at cost.

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

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

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

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

n) Stock

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

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

o) Debtors

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

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

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

p) Cash at bank and in hand

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

q) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Other creditors and accruals are normally recognised at their settlement amount due.

r) Financial instruments

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

s) Fund accounting

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

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

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

t) Pension costs

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

u) Operating leases

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

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Notes to the financial statements

For the year ended 31 March 2022

2 Income from donations and legacies

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Arts Council of England						
- Revenue Grant	1,125,847	-	1,125,847	1,125,847	-	1,125,847
- Transition Fund	-	-	-	32,123	-	32,123
- Emergency and Cultural Recovery Grants	380,530	-	380,530	578,501	-	578,501
London Borough of Newham						
- Revenue grant	256,000	-	256,000	256,000	-	256,000
- Operating Fee	157,044	-	157,044	-	-	-
- Business Restart	38,000	-	38,000	-	-	-
- Branding	-	40,000	40,000	-	-	-
- Theatre Enrichment Project	-	78,320	78,320	-	-	-
- Newham Unlocked Festival	-	95,000	95,000	-	-	-
- Black History Month	-	-	-	-	1,000	1,000
The Austin Hope and Pilkington Trust	-	-	-	1,000	-	1,000
Foyle Foundation	-	50,000	50,000	-	-	-
Foundation For Future London	-	20,000	20,000	-	-	-
New Wolsey Theatre	-	10,750	10,750	-	7,500	7,500
Belvedere Trust	-	1,000	1,000	-	-	-
Boris Karloff Trust	-	1,000	1,000	-	-	-
Golsoncott Foundation	-	1,000	1,000	-	-	-
London Theatre Concertium	-	3,000	3,000	-	-	-
People's Palace Projects	20,600	5,000	25,600	-	-	-
The Leche Trust	-	3,000	3,000	-	-	-
The Noel Coward Foundation	-	3,000	3,000	-	-	-
Jack Petchey Foundation	1,200	-	1,200	-	-	-
Garfield Weston	-	-	-	-	155,178	155,178
Garrick Charitable Trust	-	-	-	-	4,000	4,000
National Theatre Connections	-	1,000	1,000	-	-	-
Esmee Fairbairn Foundation	-	42,500	42,500	17,500	5,755	23,255
The John Thaw Foundation	-	2,000	2,000	-	2,000	2,000
Worshipful Company of Basketmakers	5,000	5,000	10,000	-	5,000	5,000
Theatres Trust Foundation - Reopening fund	-	-	-	-	5,000	5,000
Tate & Lyle	-	-	-	-	2,000	2,000
Corporate and Individual donors	291,156	-	291,156	220,228	-	220,228
	<u>2,275,377</u>	<u>361,570</u>	<u>2,636,947</u>	<u>2,231,199</u>	<u>187,433</u>	<u>2,418,632</u>

Grants - Association of London Government and London Boroughs

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

3 Income from charitable activities

	2022 Total £	2021 Total £
Theatre		
Box office receipts	367,037	10,432
Touring and co-productions	4,773	50,522
Front of house	17,976	414
Theatre hire	31,680	10,510
Royalties	667	878
Other income	186,387	431,477
Education and workshops	7,904	520
Total income from charitable activities	<u>616,424</u>	<u>504,753</u>

All income from charitable activities is unrestricted. Other income includes £42,680 (2021: £392,387) received via the HMRC Job Retention Scheme.

4 Income from other trading activities

	2022 Total £	2021 Total £
Commercial Trading (note 12)	115,213	30,443
Corporation tax rebate	169,688	50,498
	<u>284,901</u>	<u>80,941</u>

All income from other trading activities is unrestricted.

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Notes to the financial statements

For the year ended 31 March 2022

5a Analysis of expenditure (current year)

	Charitable activities							
	Raising funds £	Theatre costs £	Education & Workshops £	Governance costs £	Support costs £	2022 Total £	2021	Total £
Staff costs (Note 7)	126,589	1,257,430	239,108	-	387,762	2,010,889		1,386,865
Theatre production freelance	5,800	14,632	157,877	-	(35,416)	142,893		67,389
Theatre production costs	-	437,770	-	-	-	437,770		17,192
Theatre running costs	-	129,452	25,629	-	40,229	195,310		176,291
Theatre fundraising costs	17,707	-	-	-	-	17,707		5,855
Press and publicity	-	114,147	24,725	-	67,572	206,444		52,753
Front of house costs	-	51,425	1,703	-	-	53,128		-
Education and workshops	-	-	26,918	-	-	26,918		5,329
Commercial trading	-	117,408	-	-	-	117,408		5,450
General office and administration	1,526	40,756	17,313	-	73,388	132,983		144,366
Depreciation	-	-	-	-	64,243	64,243		59,221
Audit fees and other related fees	-	-	-	31,685	-	31,685		26,540
Legal and professional fees	-	-	-	-	19,228	19,228		15,690
Board meeting expenses	-	-	-	5,214	-	5,214		-
	151,622	2,163,020	493,273	36,899	617,006	3,461,820		1,962,941
Support costs	33,318	475,297	108,391	-	(617,006)	-		(1)
Governance costs	1,993	28,424	6,482	(36,899)	-	-		(1)
Total expenditure 2022	186,933	2,666,741	608,146	-	-	3,461,820		-
Total expenditure 2021	229,488	1,557,500	175,951	-	-	1,962,939		1,962,939

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Notes to the financial statements

For the year ended 31 March 2022

5b Analysis of expenditure (prior year)

	Charitable activities					
	Raising funds £	Theatre costs £	Education & Workshops £	Governance costs £	Support costs £	2021 Total £
Staff costs (Note 7)	155,901	799,221	111,773	-	319,970	1,386,865
Theatre production freelance	-	67,389	-	-	-	67,389
Theatre production costs	-	17,192	-	-	-	17,192
Theatre running costs	-	90,966	-	-	85,325	176,291
Theatre fundraising costs	4,404	1,451	-	-	-	5,855
Press and publicity	-	9,398	-	-	43,355	52,753
Education and workshops	-	-	5,329	-	-	5,329
Commercial trading	5,450	-	-	-	-	5,450
General office and administration	-	-	-	-	144,366	144,366
Depreciation	3,516	50,219	-	-	5,486	59,221
Audit fees	-	-	-	26,540	-	26,540
Legal and professional fees	-	734	-	-	14,956	15,690
Board meeting expenses	-	-	-	-	-	-
	169,271	1,036,570	117,102	26,540	613,458	1,962,941
Support costs	57,720	499,328	56,409	-	(613,458)	(1)
Governance costs	2,497	21,602	2,440	(26,540)	-	(1)
Total expenditure 2021	229,488	1,557,500	175,951	-	-	1,962,939

Notes to the financial statements

For the year ended 31 March 2022

6 Net income / (expenditure) for the year

	Group 2022 £	2021 £
This is stated after charging:		
Depreciation	64,243	59,221
Auditor's remuneration (excluding VAT):		
Audit (Group)	15,300	14,550
Other services	18,185	11,990
Operating lease costs	3,504	3,504

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

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	1,433,226	1,113,736
Non NI Salaries and wages	397,554	48,117
Social security costs	130,577	93,549
Pension costs	49,532	38,162
Total employee costs	2,010,889	1,293,564
Freelance staff	27,015	52,819
Commercial trading	56,119	40,482
Total staff costs	2,094,023	1,386,865

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

	2022 No.	2021 No.
£60,000 – £69,999	2	1

No trustees received any remuneration or benefits in kind in their capacity as a trustee during the year (2021: none).

No trustees had travel and subsistence expenses reimbursed in the year (2021: £Nil).

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

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

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £151,381 (2021: £135,817).

8 Staff numbers

The average weekly number of employees (head count based on number of staff employed) during the year was 98 (2021: 65).

	2022 No.	2021 No.
Fundraising	4	3
Productions	47	28
Press and Publicity	4	4
Education	4	2
Support and Administration	36	25
Trading Activities	3	3
	98	65

Employee time has been allocated either;

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

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Notes to the financial statements

For the year ended 31 March 2022

9 Taxation

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

	2022 £	2021 £
UK corporation tax at 19%	-	-

10 Tangible fixed assets

Group	Equipment & Furniture £	Building Improvements £	Total £
Costs			
As at 1 April 2021	406,037	480,208	886,245
Additions	50,238	-	50,238
Disposals	(3,203)	-	(3,203)
At 31 March 2022	453,072	480,208	933,280
Depreciation			
As at 1 April 2021	257,377	109,912	367,289
Charge for the year	40,829	23,414	64,243
Disposals	(3,203)	-	(3,203)
At 31 March 2022	295,003	133,326	428,329
Net book value			
31 March 2022	158,069	346,882	504,951
31 March 2021	148,660	370,296	518,956
Charity			
Costs			
As at 1 April 2021	356,549	480,208	836,757
Additions	50,238	-	50,238
Disposals	(3,203)	-	(3,203)
At 31 March 2022	403,584	480,208	883,792
Depreciation			
As at 1 April 2021	208,189	109,912	318,101
Charge for the year	40,529	23,414	63,943
Disposals	(3,203)	-	(3,203)
At 31 March 2022	245,515	133,326	378,841
Net book value			
31 March 2022	158,069	346,882	504,951
31 March 2021	148,360	370,296	518,656

All of the above assets are used for charitable purposes.

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Notes to the financial statements

For the year ended 31 March 2022

11 Investments

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Shares in group undertakings	-	-	2	2

12 Net income from the subsidiary trading activities

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

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

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

	2022	2021
	£	£
Turnover	115,202	30,429.00
Cost of sales	(81,429)	(21,490.00)
Administrative expenses	(29,152)	(27,958.00)
Net profit/(loss)	4,621	(19,019.00)
Other income and bank interest	7	14.00
Retained in subsidiary	4,628	(19,005.00)

The aggregate of the assets, liabilities and reserves was:

Fixed assets	-	299.00
Current assets	119,172	85,343.00
Creditors: amounts falling due within one year	(180,125)	(151,224.40)
Total net liabilities	(60,953)	(65,582.40)
Aggregate share capital and reserves	(60,953)	(65,582)

The charity also owns the entire issued share capital of 2 ordinary share of £1 of Stratford East Productions Limited, a company incorporated in England. The company number is 05369063, and the registered office address is Theatre Royal Stratford East, Gerry Raffles Square, Stratford, London, E15 1BN. Stratford East Productions Limited has been dormant throughout the year and given its immateriality has not been included in the consolidated accounts.

Parent charity

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

	2022	2021
	£	£
Gross income	3,061,489	2,786,450
Result for the year	71,824	1,060,392

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Notes to the financial statements

For the year ended 31 March 2022

13 Debtors

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	133,145	73,919	132,691	72,074
Amounts owed from group undertakings	-	-	116,638	84,483
Accrued income	10,159	42,392	10,159	42,392
Other debtors	15	4,046	(74)	4,046
Prepayments	22,742	14,925	22,742	14,925
Deferred production costs	13,004	48,986	13,004	48,986
Corporation tax	169,688	160,789	169,688	160,789
Total current debtors	348,753	345,057	464,848	427,695

14 Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	80,753	55,368	79,939	48,486
Taxation and social security	31,212	28,329	30,590	28,329
Other creditors	114,679	122,531	111,541	117,585
Accruals	135,901	145,548	127,228	141,348
Deferred income (note 16)	462,846	174,445	462,846	174,445
	825,391	526,221	812,144	510,193

Included in other creditors above is an amount due in relation to pension schemes of £8,156 (2021: £5,463).

15 Creditors: amounts falling due after one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	47,501	250,001	-	200,000
Deferred income (note 16)	-	-	-	-
Amounts owed to group undertakings	-	-	-	-
Amounts due under finance leases	-	-	-	-
	47,501	250,001	-	200,000

Bank loans totalling £47,501 (2021: £250,001) are part of the government backed CBILS scheme. The CIBLS Loan is interest free for a year and thereafter charged at 2.7% above prime. The loan is repayable in equal instalments of £833 per month and will be repaid in full by December 2026.

16 Deferred income

Deferred income movements in the year were as follows:

	At 1 April 2021 £	Released in year £	Deferred in year £	At 31 March 2022 £
Group and Charity				
Box office advance income	174,445	(918,503)	1,206,904	462,846
Grants for Educational Work	5,000	(5,000)	-	-
Future Events income	1,750	(1,750)	-	-
	181,195	(925,253)	1,206,904	462,846

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Notes to the financial statements

For the year ended 31 March 2022

17a Movements in funds (current year)

	At 1 April 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2022 £
Restricted funds:					
London Borough of Newham	-	213,320	(213,320)	-	-
New Wolsey Theatre	-	10,750	(10,750)	-	-
Garfield Weston Foundation	144,000	-	(144,000)	-	-
Harold Hyam Wingate Foundation	10,000	-	(10,000)	-	-
The John Thaw Foundation	-	2,000	(2,000)	-	-
Foundation For Future London	-	20,000	(20,000)	-	-
Foyle Foundation	-	50,000	(50,000)	-	-
Belvedere Trust	-	1,000	(1,000)	-	-
Boris Karloff Trust	-	1,000	(1,000)	-	-
Golsoncott Foundation	-	1,000	(1,000)	-	-
London Theatre Concertium	-	3,000	(3,000)	-	-
People's Palace Projects	-	5,000	(5,000)	-	-
The Leche Trust	-	3,000	(3,000)	-	-
The Noel Coward Foundation	-	3,000	(3,000)	-	-
National Theatre Connections	-	1,000	(1,000)	-	-
Esmee Fairbairn Foundation	-	42,500	(42,500)	-	-
Worshipful Company of Basket Makers	5,000	5,000	(10,000)	-	-
Total restricted funds	159,000	361,570	(520,570)	-	-
Unrestricted funds:					
Designated Funds					
Fixed Assets	557,040	-	-	(53,040)	504,000
Building Fund	100,000	-	-	100,000	200,000
Operational Fund	500,000	-	-	-	500,000
Production Fund	-	-	-	300,000	300,000
Cultural Recovery Fund	267,728	-	-	(267,728)	-
	1,424,768	-	-	79,232	1,504,000
Unrestricted general funds	767,258	3,061,489	(2,830,669)	(79,232)	918,846
Non-charitable trading	(65,528)	115,213	(110,581)	-	(60,896)
Total unrestricted funds	2,126,498	3,176,702	(2,941,250)	-	2,361,950
Total funds	2,285,498	3,538,272	(3,461,820)	-	2,361,950

Transfers between funds

Purposes of restricted funds

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

In additions to the funds given by London Borough of Newham was also for rebranding and hosting the Newham Unlocked The *New Wolsey Theatre* contributed £10,750 towards the cost of supporting the theatre's Agent For Change and for Slambition hosted in March

The John Thaw Foundation provided funds to run our summer school, which was delivered in 2021/22

Funds given by Foundation for Future London of £20,000 was for Westfield East Bank Creative Futures Fund and Stratford East: A Civic Hub

The grant from the *Belvedere Trust* is to provide funding for the employment of Assistant Directors on future productions.

The grant from The Esmee Fairbairn Foundation was for Live Streaming, Closing the Gap and Freelancers.

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

Purposes of Designated funds

The trustees have this year decided to be explicit in showing the designations in the accounts.

The *Fixed Assets* fund represents the net value of Fixed Assets at the end of March 2020.

The *Building Fund* is allocated for the purpose of setting aside funds for essential major building repairs.

The *Operational Fund* represents the amount required to cover liabilities and operating costs in the event of an orderly wind-up of operations if that situation were to arise.

The *Production Fund* represents the amount required to cover costs of production to allow TRSE to plan for ambitious work on our main stage.

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Notes to the financial statements

For the year ended 31 March 2022

17b Movements in funds (prior year)

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

Transfers between funds

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

Purposes of restricted funds

Funds given by *The Theatres Trust Foundation* were for re-opening the building safely following shut-down.

The *Garrick Theatre Trust* grant was to contribute to the costs of creative teams and Lighting Directors on productions.

The *New Wolsey Theatre* contributed £7,500 towards the cost of supporting the theatre's Agent For Change.

The grant received from *The Garfield Weston Foundation* was to pay for technical equipment, to fund Learning and Participation work, and to contribute to the costs of producing the 2021 pantomime.

The purpose of the *Tate & Lyle* grant was to fund Learning and Participation online resources.

The grant from The Esmee Fairbairn Foundation was for computers, laptops and IT equipment.

The John Thaw Foundation provided funds to run our summer school, which was delivered online in 2020.

The grant from the *Harold Hyam Wingate Foundation* is to provide funding for the employment of Assistant Directors on future productions.

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

Pioneer Theatres Limited Trading as "Theatre Royal Stratford East"

Notes to the financial statements

For the year ended 31 March 2022

18a Analysis of group net assets between funds (current year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	504,951	–	504,951
Current assets	1,904,500	–	1,904,500
Creditors amount falling due after more than one year	(47,501)	–	(47,501)
Net assets at 31 March 2022	2,361,950	–	2,361,950

18b Analysis of group net assets between funds (prior year)

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

19 Operating lease commitments

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

	Equipment 2022 £	2021 £
Less than one year	2,814	3,504
One to five years	2,655	5,469
Over five years	–	–
	5,469	8,973

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

	Equipment 2022 £	2021 £
Less than one year	2,124	2,124
One to five years	2,655	4,779
Over five years	–	–
	4,779	6,903

20 Capital commitments

At the balance sheet date, the group had no capital commitments (2021: £nil) in respect of development works.

21 Future Commitments

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

22 Legal charges

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

23 Related party transactions

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

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

There are no other related party transactions to disclose for 2022 (2021: none).

24 Contingent assets or liabilities

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