

## **RSC Enterprise Limited**

**Directors' report and financial statements**

**Registered number 02360172**

**Year ended 31 March 2020**



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## Directors' report

The directors submit their report and the audited financial statements for the year ended 31 March 2020.

### Principal activity

The company's principal activity is to undertake the commercial operations relating to The Royal Shakespeare Company and its productions.

### Business review, results and dividends

The turnover has increased by 1% from £7.5m to £7.6m.

A reduction in turnover from catering and retail operations, partly due to the impact of the Covid-19 pandemic towards the end of the financial year, have been offset and exceeded by the increase in turnover from the Audience of the Future project. Turnover and cost of sales were for this project were £0.8m (2019: £0.04m) with no impact on operating profit.

The tax credit in the accounts relates to the creative industries tax relief which was claimed on all 'Live From Stratford-upon-Avon' broadcasts.

The profit for the year is shown on page 9 of the accounts.

The profit for the year was £281,835 (2019: profit £713,297). A distribution under Gift Aid has been made to The Royal Shakespeare Company of £Nil (2019: £713,297).

### Directors and directors' interests

The directors who held office during the year, and subsequently, were as follows:

S Eames  
C Mallyon

None of the directors has any beneficial interest in the shares of the company.

### Registered office

3 Chapel Lane, Stratford-upon-Avon, Warwickshire CV37 6BE.

### Going concern

The preparation and completion of this Directors' report and financial statements has, inevitably, been delayed due to the Covid-19 pandemic, which has had a significant impact on trading operations of the company. Since the closure of the venues to the public in March 2020, the Directors have been working on flexible plans, both operational and financial, to ensure the continued viability of the company.

In preparing the financial statements, the directors have considered whether the going concern basis of preparation remains appropriate. To make this assessment the directors have considered the current financial position of the company and its future cashflows on both a base case and a worst case basis for a period of at least 12 months from the date of signing these accounts. In preparing the base case assessment management and the directors have applied significant judgement particularly in relation to an assumed reopening in the second half of the financial year ending 31 March 2022, which is considered reasonable given the current political roadmap for theatres to reopen and expected pre-production time.

Detailed cash flow forecasts show that it will be able to operate within its current facilities for the foreseeable future. This is sensitive to the ability of the entity to resume operations during the second half of the financial year ending 31 March 2022. However in management's judgement this is a reasonable assumption with the current political roadmap.

Management feel confident in their ability to both reduce expenditure but also increase financing facilities should uncertainties continue and has demonstrated a strong track record in cash management since the closure of operations, as outlined in the 'Principal risks and uncertainties' section of the Directors report.

## **Directors' report (*continued*)**

### **Going concern (*continued*)**

The directors have also received confirmation of ongoing support from the parent Charity to meet its liabilities as they fall due. The parent Charity has received a £19.4m Repayable Finance facility from the Culture Recovery Fund in February 2021 and has no material uncertainty over its ability to continue to operate as a going concern. On this basis the directors of the company continue to believe it is appropriate to prepare the financial statements on a going concern basis.

In both scenarios, the company is reliant on the ongoing support of the company's parent, Royal Shakespeare Company, in order to meet its obligations as they fall due. It is also reliant on the continuation of an existing overdraft facility which is due for renewal on 1 June 2021.

The directors have received written assurances from the parent charity, that it will continue to support the company for a period of at least 12 months from the date of signing these accounts.

However the directors acknowledge that this support is not legally binding and that Royal Shakespeare Company could call existing intercompany balances and or not extend further facilities at any time which indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would be necessary if the company is not able to continue as a going concern.

### **Qualifying third party indemnity provision**

The board of directors are covered by the group directors' indemnity insurance policy.

### **Principal risks and uncertainties**

Risks and uncertainties for the group are considered by the Board of the parent charity who have reviewed and assessed the risks to which the group may be exposed.

Prior to the pandemic, the risks relevant to RSC Enterprise Limited that are currently considered to be highest likelihood or impact are risk of income decline, insufficient staff diversity, risk of reported harassment cases and impact of protests.

However, the closure of operations from 17 March 2020 due to the Covid-19 pandemic resulted in a new and significant risk that a prolonged period of closure and uncertainty over reopening would lead to cash flow difficulties and ultimately, the financial viability of the organisation becoming uncertain. In response to this, mitigating actions included seeking to maximise all forms of eligible government support, predominantly the Coronavirus Job Retention Scheme ('CJRS') and taking action to reduce levels of staff and supplier expenditure. This included an employee consultation commencing in October 2020 and completing in January 2021.

Specific actions and responsibilities for mitigating them have been assigned to these, and all other risks identified on the register to ensure that any residual risk is at an acceptable level. The risk management process is ongoing and is regularly reviewed by the Board of the parent charity. Post year end, the risk management processes have been adapted for the specific requirements of COVID-19 Health and Safety and adapted operations.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. However, there are no estimates and assumptions that are considered to have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## **Directors' report** *(continued)*

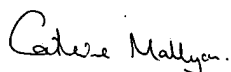
### **Auditors**

A resolution for the re-appointment of BDO LLP as auditors of the company is to be proposed at the forthcoming annual general meeting.

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Directors' report has been prepared in accordance with the small companies' regime, as allowed under Section 419 of the Companies Act 2006.

Approved by the Board and signed on its behalf  
by:



**C Mallyon**  
Director

27 April 2021

## **Statement of directors' responsibilities**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the directors 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 the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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.

## **Independent auditor's report to the members of RSC Enterprise Limited**

We have audited the financial statements of RSC Enterprise Limited ("the Company") for the year ended 31 March 2020 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and 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 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 Company's affairs as at 31 March 2020 and of its profit 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

### **Material uncertainty relating to going concern**

We draw attention to note 3 of the financial statements which refers to the financial position of the company and its reliance on financial support being provided by its parent charity Royal Shakespeare Company. Whilst a letter of support has been provided by the parent charity this is not legally committed and could be withdrawn. As stated in note 3, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

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

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

We have nothing to report in this regard.

## **Independent auditor's report to the members of RSC Enterprise Limited (continued)**

### **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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

We have nothing to report in respect of the following matters in relation to which the 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors 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 Directors' report and from the requirement to prepare a Strategic report.

### **Responsibilities of Directors**

As explained more fully in the statement of directors' responsibilities, the Directors 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 Directors 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 Directors are responsible for assessing the 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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's 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 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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://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 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 Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*BDO LLP*  
Kyla Bellingall (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Birmingham  
Date 28 April 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



**Statement of comprehensive income**  
*for the year ended 31 March 2020*

	Note	2020	2019
		£	£
<b>Turnover</b>	3	7,568,461	7,486,539
<b>Cost of sales</b>		(6,240,093)	(5,861,939)
		<hr/>	<hr/>
<b>Gross profit</b>		1,328,368	1,624,600
<b>Selling and distribution costs</b>		(60,367)	(58,131)
<b>Administrative expenses</b>		(1,210,273)	(1,140,014)
		<hr/>	<hr/>
<b>Operating profit</b>	4	57,728	426,455
<b>Interest payable and similar charges</b>	5	(8,788)	(9,113)
		<hr/>	<hr/>
<b>Profit on ordinary activities before tax</b>		48,940	417,342
<b>Taxation on profit on ordinary activities</b>	7	232,895	295,955
		<hr/>	<hr/>
<b>Profit for the financial year and total comprehensive income for the year</b>		281,835	713,297
		<hr/> <hr/>	<hr/> <hr/>

The income and expenditure arising in the year related to the continuing operations of the company.

The notes on pages 12 to 19 form part of these accounts.

**Statement of financial position**  
**as at 31 March 2020**

	Note	£	2020 £	£	2019 £
<b>Fixed assets</b>					
Tangible assets	8		4,633		8,908
<b>Current assets</b>					
Stocks	9	220,807		279,637	
Debtors	10	1,221,180		657,548	
Cash at bank and in hand		266,933		633,721	
		<u>1,708,920</u>		<u>1,570,906</u>	
<b>Creditors:</b> amounts falling due within one year	11	(1,081,618)		(1,225,481)	
<b>Net current assets</b>			<u>627,302</u>		<u>345,425</u>
<b>Total assets less current liabilities</b>			<u>631,935</u>		<u>354,333</u>
<b>Creditors:</b> Amounts falling due after more than one year	12		-		(4,233)
<b>Net assets</b>			<u><u>631,935</u></u>		<u><u>350,100</u></u>
<b>Capital and reserves</b>					
Called up share capital	14		100		100
Profit and loss account			631,835		350,000
<b>Total equity shareholder's funds</b>			<u><u>631,935</u></u>		<u><u>350,100</u></u>

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

The notes on pages 12 to 19 form part of these accounts.

These financial statements were approved by the board of directors on 27 April 2021, authorised for issue and signed on its behalf by:

*Cathie Mallyon*

**C Mallyon**  
Director

*S. Eames*

**S Eames**  
Director

**Statement of changes in equity**  
*as at 31 March 2020*

	Share Capital £	Retained Earnings £	Total £
Balance as at 31 March 2018	100	350,000	350,100
Comprehensive income for the year	-	713,297	713,297
Distribution to parent charity	-	(713,297)	(713,297)
Balance as at 31 March 2019	100	350,000	350,100
Comprehensive income for the year	-	281,835	281,835
<b>Balance as at 31 March 2020</b>	<b>100</b>	<b>631,835</b>	<b>631,935</b>

## **Notes**

*(forming part of the accounts)*

### **1. General information**

The company is part of a public benefit entity group and its principal activity is to undertake commercial operations relating to The Royal Shakespeare Company and its productions.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 3 Chapel Lane, Stratford-upon-Avon, Warwickshire CV37 6BE.

### **2. Statement of compliance**

The financial statements of RSC Enterprise Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

### **3. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### ***Basis of accounting and going concern***

The financial statements are prepared under the historical cost convention rules and in accordance with applicable UK Accounting Standards on the basis of a going concern.

In preparing the financial statements, the directors have considered whether the going concern basis of preparation remains appropriate. To make this assessment the directors have considered the current financial position of the company and its future cashflows on both a base case and a worst case basis for a period of at least 12 months from the date of signing these accounts. In preparing the base case assessment management and the directors have applied significant judgement particularly in relation to an assumed reopening in the second half of the financial year ending 31 March 2022, which is considered reasonable given the current political roadmap for theatres to reopen and expected pre-production time.

In both scenarios, the company is reliant on the ongoing support of the company's parent, Royal Shakespeare Company, in order to meet its obligations as they fall due. It is also reliant on the continuation of an existing overdraft facility which is due for renewal on 1 June 2021. The directors have received written assurances from the parent charity, that it will continue to support the company for a period of at least 12 months from the date of signing these accounts.

However the directors acknowledge that this support is not legally binding and that Royal Shakespeare Company could call existing intercompany balances and or not extend further facilities at any time which indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would be necessary if the company is not able to continue as a going concern.

The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are presented in sterling which is also the functional currency of the company.

## Notes (continued)

### 3. Summary of significant accounting policies (continued)

#### **Cash flow exemption**

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent undertaking, The Royal Shakespeare Company, includes the company's cash flows in its own consolidated financial statements.

#### **Consolidated financial statements**

The company is a wholly owned subsidiary of The Royal Shakespeare Company, a charity registered in England. It is included in the consolidated financial statements of The Royal Shakespeare Company which are available from The Royal Shakespeare Company, Royal Shakespeare Theatre, Waterside, Stratford-upon-Avon, Warwickshire, CV37 6BB.

#### **Tangible assets**

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated, using the straight-line method, to allocate the cost to their residual values over their estimated useful lives, as follows:

Motor vehicles	-	5 years or life of lease
Specialised equipment	-	3 to 20 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

#### **Impairment of fixed assets**

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the company estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and the recoverable amount, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses in the Statement of comprehensive income.

#### **Stock**

Stock is stated at the lower of cost and estimated selling price less cost to sell.

#### **Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers in the ordinary nature of the business. The fair value of consideration takes into account discounts offered to customers. Turnover is shown net of VAT.

*Catering and bar income, nursery income, theatre tours and tower income, commercial and Live From income*

Turnover is recognised when the service has been provided to the customer.

*Sale of goods, merchandise and programmes*

Turnover is recognised when the goods have been provided to the customer.

## **Notes (continued)**

### **3. Summary of significant accounting policies (continued)**

#### ***Employee benefits***

The costs of short-term employee benefits are recognised as a liability and an expense unless these costs are required to be recognised as part of the costs of stock or are capitalised as a tangible fixed asset.

The holiday year for RSC Enterprise Limited runs to 31 December. The cost of any unused entitlement at 31 March is recognised in the period in which the employee's services are received.

#### ***Leases***

An asset and corresponding liability are recognised for leasing arrangements that transfer to the company substantially all the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the Statement of comprehensive income so as to produce a constant periodic rate of interest on the remaining balance of the liability. All other leases are operating leases and the annual rentals are charged to the Statement of comprehensive income on a straight-line basis over the term of the lease.

#### ***Financial instruments***

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments' of FRS102, in full, to all of its financial instruments.

##### ***Financial assets***

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of comprehensive income for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit and loss.

##### ***Financial liabilities and equity***

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangement entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

##### ***Creditors***

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised costs, being the transaction price less any amounts settled.

## Notes (continued)

### 4. Operating profit

	2020 £	2019 £
Operating profit is stated after charging:		
Auditor's remuneration – audit fees	7,500	7,500
Auditor's remuneration – tax advice	1,750	2,400
Depreciation	4,275	4,275
	<u>          </u>	<u>          </u>

### 5. Interest payable and similar charges

	2020 £	2019 £
Bank charges	8,788	9,113
	<u>          </u>	<u>          </u>

### 6. Staff numbers and costs

The average number of staff employed by the company during the year was:

	2020		2019	
	Full-time Numbers	Part-time Numbers	Full-time Numbers	Part-time Numbers
Catering	32	92	32	106
Nursery	8	13	8	13
Retail	6	16	7	16
Other	2	3	4	-
Total	<u>48</u>	<u>124</u>	<u>51</u>	<u>135</u>

The total emoluments, including benefits in kind, of these persons was as follows:

	2020 £	2019 £
Total emoluments	2,626,495	2,451,579
Social security costs	180,169	163,635
Other pension costs	108,646	77,636
	<u>2,915,310</u>	<u>2,692,850</u>

The directors received no remuneration in relation to their work for the company. During the year redundancy payments totalling £20,795.96 (2019: £nil) were made.

## Notes (continued)

### 7. Taxation on profit on ordinary activities

	2020 £	2019 £
Current tax credit	<b>(232,895)</b>	(295,955)

Taxable profits are paid as a donation to the parent undertaking under Gift Aid and no tax charge or liability therefore arises in either year. The current tax credit noted above is creative industries relief. (2019: creative industries relief offset by overseas withholding tax).

Factors affecting the tax charge for the year:

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<b>48,940</b>	417,342
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%).	<b>9,299</b>	79,295
Effects of:		
Expenses not deductible for tax purposes	<b>396</b>	698
Deferred tax not recognised	<b>1,036</b>	11,848
Other short-term timing differences	<b>(1,193)</b>	-
Group relief claimed	<b>(9,538)</b>	-
Gift Aid relief	-	(91,841)
Credit for creative industries relief	<b>(232,895)</b>	(295,955)
Current tax credit for the year	<b>(232,895)</b>	(295,955)



## Notes (continued)

### 8. Tangible assets

	Specialised equipment £	Motor Vehicles £	Total £
<b>Cost</b>			
At beginning of year	25,701	26,730	52,431
Additions	-	-	-
At end of year	25,701	26,730	52,431
<b>Depreciation</b>			
At beginning of year	25,701	17,822	43,523
Charge for the year	-	4,275	4,275
At end of year	25,701	22,097	47,798
<b>Net book value</b>			
At 31 March 2020	-	4,633	4,633
At 31 March 2019	-	8,908	8,908

Fixed assets are held at historical cost less accumulated depreciation.

Assets with a value of £4,633 (2019: £8,908) are held under finance leases.

### 9. Stock

	2020 £	2019 £
Finished goods and goods for resale	180,622	279,637
Work in Progress	40,185	-
	<b>220,807</b>	<b>279,637</b>

The amount of stock recognised as an expense through the Statement of comprehensive income during the year was £1,396,611 (2019: £1,386,509).

## Notes (continued)

### 10. Debtors

	2020 £	2019 £
Trade debtors	529,522	124,551
Amounts due from parent undertaking	25,059	-
Amounts due from other group undertakings	28,245	38,425
Corporation tax	232,895	295,955
Other debtors	162,592	51,476
Prepayments and accrued income	242,867	147,141
	<b>1,221,180</b>	<b>657,548</b>

### 11. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	145,936	130,413
Amounts owed to parent undertaking	-	559,683
Finance lease	4,233	4,233
Taxation and social security	135,229	163,298
Other creditors and accruals	796,220	367,854
	<b>1,081,618</b>	<b>1,225,481</b>

Amounts owed to parent undertaking represent normal commercial transactions.

Obligations under finance leases are secured by the related assets.

### 12. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Finance lease	-	4,233
	<b>-</b>	<b>4,233</b>

### 13. Finance leases

Future obligations under finance leases are payable as follows:	2020 £	2019 £
Not later than one year	4,233	4,233
Later than one year not later than five years	-	4,233
Total gross payments	<b>4,233</b>	<b>8,466</b>

The finance lease relates to an electric vehicle which is leased over five years.

## Notes (continued)

### 14. Called up share capital

	2020	2019
	£	£
<b>Authorised:</b>		
Ordinary shares of £1 each	100	100
	=====	=====
<b>Allotted and called up:</b>		
Ordinary shares of £1 each	100	100
	=====	=====

### 15. Related party transactions

As a wholly owned subsidiary of The Royal Shakespeare Company, the company has taken advantage of the exemption under Section 1AC.35 of FRS102 not to provide information on related party transactions with other undertakings within The Royal Shakespeare Company group. Note 17 gives details of how to obtain copies of the financial statements of The Royal Shakespeare Company.

### 16. Ultimate parent and ultimate controlling party

The company's ultimate parent undertaking and ultimate controlling party is The Royal Shakespeare Company, a charity registered in England. Copies of the financial statements of The Royal Shakespeare Company may be obtained from The Royal Shakespeare Company, Royal Shakespeare Theatre, Waterside, Stratford-Upon-Avon, Warwickshire, CV37 6BB.

### 17. VAT group liability

The company entered into a group arrangement for Value Added Tax (VAT) on 1 January 2015 with The Royal Shakespeare Company and fellow subsidiary undertakings, the representative member of the group being The Royal Shakespeare Company. All members of the group are jointly and severally liable for the tax due from the representative member. The VAT debtor of the other members of the group that was not recognised on the company's own balance sheet at 31 March 2020 was £163,833 (2019: Liability £964,018).