

The Old Vic Endowment Trust

Report of the Trustees and Unaudited Financial Statements

For the year ended 30 November 2020

**Registered Charity No. 1147946
Company No. 07851822**



The Old Vic Endowment Trust

Registered Charity No. 1147946

Company No. 07851822

Trustees

N J Clarry

G King

J M Murphy (Appointed 12 March 2021)

J P M Norbury

C V Terry

Registered Address

The Old Vic

103 The Cut

London

SE1 8NB

Independent Examiners

Moore Kingston Smith LLP

Devonshire House

60 Goswell Road

London

EC1M 7AD

Bankers

C Hoare & Co

37 Fleet Street

London

EC4P 4DG

Solicitors

Bates Wells & Braithwaite London LLP

2-6 Cannon Street

London

EC4M 6YH

Investment advisors

Sarasin & Partners LLP

Juxton House

100 St Paul's Churchyard

London

EC4M 8BU

The Old Vic Endowment Trust

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The Old Vic Endowment Trust

TRUSTEES' REPORT

For the year ended 30 November 2020

The Trustees present their annual report and financial statements for the year ended 30 November 2020, which are also prepared to meet the requirements for a director's report and financial statements for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS102) (Effective 1 January 2016).

Objectives and Activities

The charity's objects and the principal activity of the company is to support such charitable objectives of The Old Vic Theatre Trust 2000 as the trustees from time to time think fit, in particular by:

(1) The promotion, maintenance, improvement and advancement of education by the encouragement of the arts, including the arts of drama, mime, dance, music, ballet, opera, puppetry, painting and sculpture, photography, cinema, literature and poetry and to formulate, prepare and establish schemes therefore, and by:

(2) The advancement of English heritage for the public benefit, by the encouragement and stimulation of the public's understanding and appreciation of the architectural and cultural heritage of The Old Vic Theatre.

It is the policy of the charity to make grants in support of The Old Vic Theatre Trust 2000 (Registered charity number 1072590). Such grants will be made up to the level of net income before investment returns.

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

Achievements and performance

During the year the charity continued to make further investment to generate returns and enable grants to be paid in furtherance of its objects to The Old Vic Theatre Trust 2000 ('The Old Vic').

In the year under review this totalled £162,000 of grants. £132,000 was granted towards The Old Vic's Annex development project; £20,000 was granted towards The Old Vic's Front Line project and £10,000 was granted towards commissioning new work.

On 16 March 2020 the Health Protection (Coronavirus, Restrictions) (England) Regulations 2020 mandated that all theatres were to close with immediate effect. Social distancing requirements over the period meant that it was not feasible for The Old Vic Theatre to reopen and it remained closed until social distancing restrictions were fully lifted in July 2021. The Old Vic is the sole beneficiary of the company. In anticipation of The Old Vic's likely need for additional support from the company over the medium term, and following appropriate investment and legal advice, in June 2020 the Trustees approved the sale of £3.2 million of the investment portfolio, which was held as un-restricted funds with the investment managers in cash in anticipation of The Old Vic requiring these funds.

Financial review

The final net expenditure for the year was £82,802 (2019: £551,076 net income) which included a reduction in the market value of the managed fund of £72,910 (2019 - £523,118 increase) – see note 10.

Total income amounted to £159,568 (2019: £254,220) - see notes 2 & 3 for more detail. There was an decrease in investment income of £53,246 to the sum of £159,568 (2019: £212,814) due to the decrease in investment portfolio units held.

The Old Vic Endowment Trust

TRUSTEES' REPORT

For the year ended 30 November 2020

Reserves policy

It is the policy of the charity that free reserves (comprising unrestricted net current assets) should be maintained at a level to give the charity financial flexibility and a buffer against operational risks. As a managed fund however these operational risks are minimal but the fund is structured so that there is always a cash portion held in reserve. The level of net current assets as at 30 November 2020 was £30,578 (2019: £45,124).

Investment policy and objectives

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the Trustees see fit.

Investment performance

The charity's investment portfolio is managed by Sarasin and Partners LLP. During the year this managed fund generated net income of £164,118 (2019: £218,017) including interest, investment income and management fees. At the year end, the market value of the managed fund was £6,643,840 (2019: £6,712,096). See note 11 for the movements in the year.

The Trustees are satisfied with the performance of the charity's investments portfolio which was represented by an overall decrease in holdings of 1.02% year on year and compares to an overall decline of 12.21% in the FTSE All Share Index in the same period.

Risk management

The trustees have a risk management strategy which comprises:

- An annual review of the risks the charity may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan; and
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

Future plans

The charity's focus over the next couple of years is to continue to generate funds and provide grants towards The Old Vic building project to improve accessibility, while still continuing to support specific productions and community projects run by The Old Vic.

As noted above, funds may be made available to The Old Vic in order to support the Theatre through re-opening, provided that terms can be agreed which are acceptable to the Trustees. Post year end, the Trustees reviewed the likely timing of The Old Vic requirement for these funds and considered the most appropriate investment strategy for them in the interim. It was agreed that £2million would be invested in the Sarasin Climate Active Fund.

Structure, governance and management

Governing document

The Old Vic Endowment Trust is a company limited by guarantee and is a registered charity, governed by its Memorandum and Articles of Association.

Trustees

The Trustees who served during the year and up to the date of signature of the financial statements were:

N J Clarry
J M Murphy (Appointed 12 March 2021)
J P M Norbury
G King
C V Terry

The Old Vic Endowment Trust

TRUSTEES' REPORT For the year ended 30 November 2020

Appointment of Trustees

The board of Trustees has the power to appoint additional trustees as it considers fit.

Organisational structure

The charity is governed by a board of Trustees of up to 5 members. The Trustees meet regularly to manage its affairs. The day-to-day operations of the charity are managed by a management team appointed by the trustees and reporting to the board.

New trustees undergo an orientation period to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. During the induction period they meet key employees and other trustees. Trustees are encouraged to attend appropriate external events where these will facilitate the undertaking of their role.

The board regularly looks at the skills, experience and diversity of its members to find imbalances and gaps, informing trustee recruitment and training. The board recognises the value of a diverse board and when deciding how to recruit trustees, the board thinks about how to attract a diverse pool of candidates.

Relationship with related parties

The charity has a close relationship with The Old Vic Theatre Trust 2000. There are no other related parties other than the trustees.

Statement of Trustees' responsibilities

The Trustees, who are also the directors of The Old Vic Endowment Trust for the purpose 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that 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 charity 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board of Trustees



.....
J P M Norbury
Director and Trustee

Date 23/8/2021

The Old Vic Endowment Trust

Independent Examiner's Report to the Trustees of The Old Vic Endowment Trust for the year ended 30 November 2020

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 November 2020.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

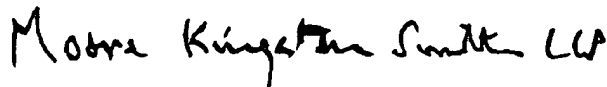
Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act').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

Independent Examiner's Statement

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

- 1) accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- 2) the accounts do not accord with those records; or
- 3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any
- 4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

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



James Cross (FCA, DChA)
For and on behalf of Moore Kingston Smith LLP
Chartered Accountants

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 24 August 2021

The Old Vic Endowment Trust

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure Account) for the year ended 30 November 2020

	Note	2020 £	2019 £
Income from:			
Donations	2	-	41,406
Investment income	3	159,568	212,814
Total Income		<u>159,568</u>	<u>254,220</u>
Expenditure on:			
Raising Funds	4	4,550	5,203
Charitable activities	5	(174,010)	(231,465)
Total Expenditure		<u>(169,460)</u>	<u>(226,262)</u>
Net deficit before investment returns		<u>(9,892)</u>	<u>27,958</u>
Net (losses)/gains on investments	10	(72,910)	523,118
Net deficit and movement in funds for the year		<u>(82,802)</u>	<u>551,076</u>
Fund balances at 1 December 2019	13	6,757,220	6,206,144
Fund balances at 30 November 2020	13	<u><u>6,674,418</u></u>	<u><u>6,757,220</u></u>

All income and expenditure derives from continuing activities.

All income and expenditure in the current and prior year relates to unrestricted funds.

The Old Vic Endowment Trust

BALANCE SHEET as at 30 November 2020

	Note	2020 £	2019 £
Fixed Assets			
Investments	11	<u>6,643,840</u>	<u>6,712,096</u>
		6,643,840	6,712,096
Current Assets			
Cash at bank and in hand		<u>37,178</u>	<u>71,356</u>
		37,178	71,356
Creditors: amounts falling due within one year	12	<u>(6,600)</u>	<u>(26,232)</u>
Net Current Assets		30,578	45,124
Net Assets		<u><u>6,674,418</u></u>	<u><u>6,757,220</u></u>
Charity Funds			
Unrestricted Funds:			
General Funds	13	6,674,418	6,757,220
Total Funds		<u><u>6,674,418</u></u>	<u><u>6,757,220</u></u>

For the year ended 30 November 2020 the charity was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the accounts.

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

23/8/2021

The financial statements were approved by the Trustees on.....

Jonathan Norbury

J P M Norbury
Trustee
Company No. 07851822

The Old Vic Endowment Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 November 2020

1. ACCOUNTING POLICIES

Company information

The Old Vic Endowment Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is The Old Vic, 103 The Cut, London, SE1 8NB.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), published in September 2015. The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 as applicable to companies subject to the small companies regime, and the Charities Act 2011.

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

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The charitable company has taken the following exemptions under the small companies regime:

- The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv).
- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- The requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29A.

1.2 Going Concern

The financial statements are prepared on a going concern basis which assumes the charitable company will continue in operational existence for the foreseeable future. At the time of approving the financial statements, the Trustees have a reasonable expectation that the charitable company has adequate resources to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

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

Investment income is recognised when received by the investment manager. All other income is recognised when the charitable company becomes entitled to the income, it is probable that it will be received and the amount can be measured reliably.

Cash donations are recognised upon receipt. Other donations are recognised once the charity has received a firm commitment to payment. Any income tax recoverable is included at the time of the donation.

1.4 Expenditure

Liabilities are recognised as soon as expenditure is incurred and there is a legal or constructive obligation committing the charity to the expenditure. All expenditure expended is accounted for on an accruals basis. Irrecoverable vat is charged to the expense to which it relates.

Charitable expenditure includes grants and donations made to institutions which are included in the accounts when paid or when a firm commitment is given to a charity prior to the balance sheet date which is a constructive obligation. Also included are support costs which include governance costs.

Governance costs primarily relate to audit or independent examination fees payable.

Costs of raising funds are those costs incurred in generating investment income and donations.

The Old Vic Endowment Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 November 2020

1. ACCOUNTING POLICIES (continued)

1.5 Investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.6 Cash at Bank and in hand

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

1.7 Financial instruments

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

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

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

Basic financial assets

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

Other financial assets

Other financial assets, which comprise investments in equity instruments which are not subsidiaries, associates or joint venture, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the income and expenditure account.

Basic financial liabilities

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

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

Derecognition of financial liabilities

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

1.8 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

The Old Vic Endowment Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 November 2020

1. ACCOUNTING POLICIES (continued)

1.9 Taxation

The Company is a registered charity and as such is entitled to exemption from taxation under the Corporation Tax Act 2010 to the extent that its income is applied for charitable purposes.

2. Donations

	2020 £	2019 £
<u>Unrestricted funds</u>		
Voluntary income	-	41,406

3. Investment income

	2020 £	2019 £
<u>Unrestricted funds</u>		
Investment income	158,885	212,711
Interest receivable	683	103
	<u>159,568</u>	<u>212,814</u>

4. Raising Funds

	2020 £	2019 £
<u>Unrestricted funds</u>		
Investment management	(4,550)	(5,203)

5. Charitable activities

	2020 £	2019 £
<u>Unrestricted funds</u>		
Insurance	1,220	4,620
Grant funding of activities (see note 6)	162,000	218,319
Governance costs (see note 7)	10,790	8,526
	<u>174,010</u>	<u>231,465</u>

6. Grants payable

	2020 £	2019 £
<u>Unrestricted funds</u>		
Grants to institutions:		
The Old Vic Theatre Trust 2000	162,000	208,319
The Landfill Communities Fund	-	10,000
	<u>162,000</u>	<u>218,319</u>

The Old Vic Endowment Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 November 2020

7. Governance costs

	2020	2019
	£	£
<u>Unrestricted funds</u>		
Audit fees	-	8,100
Independent examination fees	3,600	-
Other accountancy fees	900	-
Legal fees	6,010	-
Bank charges	280	426
	<u>10,790</u>	<u>8,526</u>

8. Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2019 - £nil).

9. Employees

There were no employees during the current or prior year.

10. Net (losses)/gains on investments

	2020	2019
	£	£
Unrealised (losses)/gains on revaluation of listed investments	<u>(72,910)</u>	<u>523,118</u>

11. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 December 2019	6,712,096
Additions	3,205,997
Disposals	(3,201,343)
Valuation changes	(72,910)
At 30 November 2020	<u>6,643,840</u>
Carrying amount	
At 30 November 2020	<u>6,643,840</u>
At 30 November 2019	<u>6,712,096</u>
Fixed asset investments revalued	
Historic cost:	
At 31 November 2020	<u>6,023,841</u>
At 31 November 2019	<u>5,809,509</u>

All of the investments are held in the form of UK unit trust funds.

The Old Vic Endowment Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 November 2020

12. Creditors: amounts falling within one year	2020 £	2019 £
Trade creditors	3,000	-
Accruals and deferred income	4,500	8,100
Grants payable	-	18,132
	<u>7,500</u>	<u>26,232</u>

13. Funds

Current year

	Balance at 1 December 2019	Income	Expenditure	Revaluation, gains and losses	Balance at 30 November 2020
Unrestricted funds					
General funds	6,757,220	159,568	(169,460)	(72,910)	6,674,418
	<u>6,757,220</u>	<u>159,568</u>	<u>(169,460)</u>	<u>(72,910)</u>	<u>6,674,418</u>

Prior year

	Balance at 1 December 2018	Income	Expenditure	Revaluation, gains and losses	Balance at 30 November 2019
Unrestricted funds					
General funds	6,206,144	254,220	(226,262)	523,118	6,757,220
	<u>6,206,144</u>	<u>254,220</u>	<u>(226,262)</u>	<u>523,118</u>	<u>6,757,220</u>

14. Related party transactions

During the year the charity received voluntary donations totalling £0 (2019 - £41,406) from The Old Vic Theatre Trust 2000, a connected charity with common trustees.

The charity also approved grants totalling £162,000 (2019 - £208,319) to The Old Vic Theatre Trust 2000. At the year end the company owed £0 (2019: £18,132) to The Old Vic Theatre Trust 2000 in respect of these grants.