

REGISTERED COMPANY NUMBER: 2994954 (England and Wales)
REGISTERED CHARITY NUMBER: 1042870

**REPORT OF THE TRUSTEES AND CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
SOUTHWARK PLAYHOUSE THEATRE COMPANY**

SOUTHWARK PLAYHOUSE THEATRE COMPANY

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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SOUTHWARK PLAYHOUSE THEATRE COMPANY

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number	2994954 (England and Wales)
Registered Charity number	1042870
Registered office	77-85 Newington Causeway London SE1 6BD
Trustees	S Hickson R N Pearson G Semper K Serkis G Wellman H Whitehouse T Wood
Patrons	Simon Hughes MP Sir Michael Caine Andy Serkis
Company Secretary	C Smyrnios
Key Management:	
Chief Executive Officer/Artistic Director	C Smyrnios
General Manager	C Beaver – until June 2021
Youth & Community Director	D Workman
Communications Manager	S Safavi
Theatre Manager	J Deighan
Technical & Production Manager	C Randall – until December 2019 C Compson – from January 2020
Auditors	Azets Audit Services 2 nd Floor, Regis House 45 King William Street London EC4R 9AN
Bankers	HSBC 28 Borough High Street London SE1 1YB

SOUTHWARK PLAYHOUSE THEATRE COMPANY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Southwark Playhouse is all about telling stories and inspiring the next generation of storytellers and theatre makers. It aims to facilitate the work of new and emerging theatre practitioners from early in their creative lives to the start of their professional careers.

Through our schools work we aim to introduce local people at a young age to the possibilities of great drama and the benefits of using theatre skills to facilitate learning. Each year we engage with 100s of school pupils through free schools' performances and long-term in-school curriculum support.

Through our Young Company (YoCo), a youth-led theatre company for local people between the ages of 14-25, we aim to introduce young people to the many and varied disciplines of running a semi-professional theatre company. YoCo provides a training ground to build confidence and inspire young people towards a career in the arts.

Our work in the community aims to engage with local people, of all ages and backgrounds, by bringing them together to exchange ideas and promote cohesion through meaningful, long-term drama related projects.

Our theatre programme aims to facilitate and showcase the work of some of the UK's best up and coming talent with a focus on reinterpreting classic plays and contemporary plays of note. Our two flexible theatre spaces enable us to offer theatre artists and companies the opportunity to present their first fully realised productions. Over the past 27 years we have produced and presented early productions by many aspiring theatre practitioners many of whom are now enjoying flourishing careers.

ACHIEVEMENT AND PERFORMANCE

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

THE YEAR IN SUMMARY

Following the final two weeks of our 2019 Christmas production of *Potted Panto*, 2020 began positively. A sold out work-in-progress production of *Operation Mincemeat* opened in The Little, and a somewhat prescient touring production of a new play called *You Stupid Darkness* opened The Large - the play depicted a Samaritan-like call centre during an undisclosed, potentially existential, global crisis...

Over the Christmas and New Year period news reports about a novel coronavirus, originating in China, were becoming more frequent. The first infections in the UK were reported in late January... What had been dismissed as nothing to worry about a few weeks before had quickly become a worldwide pandemic. To the extent that on the 16 March, half way into a 6 week run of our second show of the year, *The Last Five Years* by Jason Robert Brown, the government advised the UK population to avoid going out.

This announcement led to a difficult few days. The government had only advised the population to stay indoors and had not officially ordered hospitality venues to close. However, it was clear that the situation was serious and so along with many other venues we closed our doors after a final performance on Monday 16 March. At that moment all future shows were cancelled and all projected income was entirely diminished, throwing the organisation in to crisis. Emergency discussions were held with trustees and senior management about potential ways forward. Of foremost importance was the health, safety and wellbeing of our staff and audiences. An approach was made to the Backstage Trust for help; they responded with sympathy, understanding and incredible generosity with a donation of £120k to cover four months' worth of salaries. This donation really helped ease the burden of stress and gave us much needed breathing room for planning a way forward.

On the 20 March the government officially told theatres to close. The country was in lockdown to try and stem infections and ease the burden on overrun hospitals. Thankfully, also announced on that day was the Coronavirus Job Retention Scheme. This proved to be a lifeline for many industries severely affected by the pandemic: the government committed to paying 80% of people's salaries who were no longer able to work because of the lockdown. In conjunction with the funding from the Backstage Trust this gave us even more security and confidence that we could see the organisation through to being open again (although when that would be was completely unknown).

SOUTHWARK PLAYHOUSE THEATRE COMPANY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENT AND PERFORMANCE – continued

THE YEAR IN SUMMARY – continued

A huge consolation was the great outpouring of support from the public. So many audience members, without prompting, donated the cost of their tickets rather than ask for a refund. 33% of tickets were donated, resulting in income of approximately £15,000. We were able to pass on this income to the relevant producers and theatre companies to help ease the blow of having their productions cancelled.

All staff went on furlough except for a small team of four: the CEO, the General Manager, the Communications Manager and the Youth and Community Director. This team stayed on to keep the organisation ticking over and took on responsibilities outside their usual job descriptions. The main priorities were: to keep our community engagement going, albeit digitally; to seek funding for overheads such as our rent; to keep a public facing presence; and to manage the ongoing capital project, as well as any outstanding day-to-day administration. We also aimed to keep contact with the staff on furlough through a weekly catch up.

Between the end of March and July we eagerly awaited further government announcements with regards to a roadmap or easing of restrictions. We were successful in raising income from the Arts Council's Emergency Response Fund, the London Community Response Fund, Aviva Community Fund, the Local Authority Discretionary Grant Fund; and we successfully applied for a Bounce Back Loan. These funds helped significantly with: covering overheads during this period; keeping our youth and community programme running (see more below); and investing in infrastructure for presenting theatre digitally.

On 23 June the 2-metre social distancing rule was introduced and pubs, bars and restaurants were allowed to open. Keen to start operating again, in whatever way, we opened our theatre bar on Thursday to Saturdays. This was met with varying degrees of success, largely based on the weather and receiving the overspill of customers from more established drinking venues. It just about broke even but did give an opportunity to get staff back to work and also an opportunity to reconnect with friends, stakeholders and volunteers from the local community.

Throughout the lockdown period government guidelines allowed the filming of live performance (as long as said performances were socially distanced). So we invested in livestreaming infrastructure, made possible from funding from Arts Council England and the City Bridge Trust (via the London Community Response Fund). Our first livestream, in September, was a rehearsed reading of a new musical called *Before After*, starring husband and wife, Hadley Fraser and Rosalie Craig. It proved a great success and we continued to present livestreamed shows throughout the rest of the year. In all we presented 19 livestreamed performances, which played to approximately 7,000 people, based in 54 countries, over 6 continents, and generating sales of approximately £45k. One performance, *A Night at the Musicals*, performed to a capacity in-person audience of 110 and a further 380 remote viewers. Livestreaming has opened up opportunities that we will certainly continue to develop even after socially distanced regulations have ended.

On the 14 August, after much anticipation, the government allowed indoor theatre performances to happen again, albeit under socially distanced guidelines. Fortuitously, *The Last Five Years*, the show cancelled at the start of the pandemic, was still installed in our main theatre space and, having only two cast members, could be easily staged socially distanced. So, with a combined effort between Southwark Playhouse and Aria Entertainment, the producer, we were able to mobilise quickly to reopen our doors on Thursday 1 October. The space was configured to a capacity of just 110 seats and in such a way to ensure either a two metre distance between people or a 6mm Perspex screen. A one-way system was enforced throughout the building and The Little was used as extra bar space. Thankfully, there was great enthusiasm from audiences to return to watching live theatre in-person and the run sold out. I am very pleased to say that the organisation received a lot of positive feedback in the media and from visitors concerning how safe and well managed the experience was.

Also, during this period, we had further success with emergency fundraising from the Arts Council's Cultural Recovery Fund, raising just under £250k, and from the Julia and Hans Rausing Trust's Charity Survival Fund, raising £150k, to cover the costs of overheads, staffing and Covid related alterations to the theatre to enable us to operate safely. This funding also enabled us to replenish our reserves which had been used to cover operational shortfalls at the start of the year.

Owing to full houses, better than expected bar sales and the aforementioned funding we were just about to break even on the month that we operated under social distancing. However, it was very clear that without the funding and sold out audiences the model was unviable. In order to sustain itself in the long-term, the organisation would need to open both venues, to full capacity.

Of course, throughout this period the spectre of the pandemic hung heavy and inevitably as a second wave of infections began to take hold theatres were forced to close once more on 31 October – sadly, once again, preventing *The Last Five Years* from completing its run.

SOUTHWARK PLAYHOUSE THEATRE COMPANY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENT AND PERFORMANCE - continued

THE YEAR IN SUMMARY – continued

The second lockdown was shorter this time and socially distanced performances were once again allowed to go ahead on 2 December. However, we were unable to programme shows over the Christmas period owing to producers' understandable reticence to invest in productions in such volatile circumstances. So we ended the year with a season of livestreamed productions and look towards our expected return to live, in-person, performances in the New Year, with a new musical production of *The Sorcerer's Apprentice*.

CURRENT CIRCUMSTANCES

Writing this in July 2021 we have only recently opened our doors again, to socially distanced audiences, since the New Year, following a devastating third wave of infections. Large numbers of the population are now vaccinated, and we are eagerly anticipating an announcement on the 19 July, hopefully giving theatres the go ahead to increase seating capacities to normal. A full programme is booked until the end of the year and, assuming audiences feel confident to attend, we will soon mark a return to normal operations.

Since the New Year the majority of our staff have been on furlough - the Job Retention Scheme continues until end of September 2021. We continued to raise money to cover overheads and preparations for opening: we were successful in the second round of the Arts Council's Cultural Recovery Fund; and we received further support from Southwark Council's Local Authority Discretionary Grant Fund.

YOUTH & COMMUNITY

Overview

2020 was a challenging year for the theatre industry as a whole, as well as many of the participants who engage in our groups. As lockdown came into force, we made sure to stay in contact with all of those who engage with us, and we are proud that across 2020 we were able not only to continue and conclude every one of our projects, but also launch a brand new one too.

Young Company

Both our Young Company groups spent the early part of 2020 working towards performances which we had hoped to stage in the spring and summer. When the lockdown took hold, we had to put those plans on hold, which was a shame as a lot of work had gone into them.

However, in a similar vein to everything else this year, we quickly moved Young Company online, running Zoom sessions every week through to the end of the year. This felt really important, even as a means of keeping our participants engaged, creative and in contact with other young people on a weekly basis.

For both groups, it took a while to gain a sense of what was possible in the new medium, and we found that sadly some of our members just weren't able to join us online for a number of reasons. However, for those that did, we aimed to provide as many opportunities as possible, including sharing work devised and written by the group at events online with members of the Elders and People's Company; hosting a number of play readings; making short films on Zoom; and hosting a number of skills workshops including performance poetry, singing for performance and performing accents, amongst others.

With the slight lifting of the lockdown in September/October and again in December, we took the step of bringing both of our groups back together in the room – following all government guidelines around social distancing and safety. Despite the new rules, we found the engagement of group members increased hugely, and we saw members return who hadn't been able to engage with us online at all. Not wanting to work towards a major performance whilst not knowing whether we would be able to share it, the 14 – 18 group have been working on some devised pieces focusing on personal responses to lockdown, whilst the 19 – 25 group have been working on developing their skills in longform improvisation. Our facilitator teams for the year were Ibrahim Shote, Melissa Rolle, Flo Dessau and David Gilbert for the 14 – 18 Young Company and Ellen Havard, Pepa Duarte and Sergio Maggiolo for the 19 – 25 Young Company.

Unfortunately, this year we had to say goodbye to Ibs and Ellen. Ibs had been leading YoCo for around five years and had himself been a founder member of the Company when it first formed many years ago. Ibs directed four productions with the group, and led numerous workshops and sharings, and played a definitive role in making that group the success it is today. Ellen came on board at the end of 2018, stepping in to take on the directing of our production of 'The Clinic'. That was a great success, and she went on to direct our Christmas performance 'United Kingdom?'. We wish both of them well in their new roles elsewhere.

SOUTHWARK PLAYHOUSE THEATRE COMPANY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENT AND PERFORMANCE – continued

YOUTH & COMMUNITY – continued

In their place, we welcomed David Gilbert and Sergio Maggiolo. David, like Ibs, made his start at YoCo before going on to become a skilled facilitator and director, whilst Sergio is an actor and director with extensive stage experience, and they have taken to their new roles brilliantly.

Our alumni group have also stayed in contact with each other, and they have taken part in projects with members of YoCo, as well as our wider participatory community.

We have plans in place to launch a long-awaited brand new Young Company group for 11 – 14 year olds in spring next year, thus increasing the number of young people we can engage with every year. We would hope to expand even further once our new home is open.

This will mean that our groups will be slightly reconfigured, so they will now be for ages 11 – 14, 15 – 18 and 19 – 25.

Elders Company

The Elders Company has continued to be led this year by Toby Clarke, who joined us as Company Director in September 2019.

The year started with the group working on rehearsing a number of short plays that we had commissioned especially for them from Stewart Melton, Sophie Ellerby, James Rushbrooke, Abraham Adeyemi, Georgia Green and Justina Kehinde. These plays were commissioned to give all the members of the group (around 24 in all) a decent sized role in a production, which can sometimes be difficult when they are working on the same piece.

Once lockdown hit, we temporarily shelved the pieces. However, it was felt that after all the work that had gone into them, it would be a shame to lose them entirely, and so, in conjunction with the writers and the casts, we adapted all the pieces for the audio medium.

We worked closely with composer and sound designer Roly Botha, and across August and September recorded each play on site at Southwark Playhouse using high quality recording equipment. These plays will be released from January 2021.

The other major project that the Elders Company undertook this year was writing work of their own. Throughout the early stages of lockdown, led by Toby, the Company were encouraged to write their own monologues and duologues for themselves and other members of the group, which we would share at our weekly Zoom meetings, as well as at a special one-off event in May. It was great to see everyone participate and write and share their writing where perhaps they had not explored that aspect of their abilities before.

However, the group were keen to share these with a wider audience, and so in September, when restrictions allowed, we presented an afternoon of these monologues onstage at Southwark Playhouse with both a socially distanced audience, as well as a livestream to people at home. This was a great success and a real boost for the group, with some of the group subsequently submitting their work for publication and competitions, with great success.

We did have some very sad news at the start of lockdown, when long term member Leslie Gay passed away very suddenly. Leslie had been a member of the group from its very beginning in 2015 and was a firm friend of many in the group. A man of immense warmth, as well as a wicked wit, Leslie never let his impaired vision stop him, and in almost every show we performed with the Elders he either ended up dancing or flat on his back doing a pratfall. One of our audio plays was devised by the group in his honour and will be dedicated to him.

The end of the year saw the group work on the Opening Doors project (see below) as well as start to explore themes and stories for our next project in 2021.

Future Voices

Future Voices is our playwriting project that sees us work across an academic year with local schools to give young people the chance to develop their own writing and write their own short play for performance by professional actors at Southwark Playhouse.

Writers Guleraana Mir, Sonia Jalaly and Stewart Melton worked with students at Sacred Heart Catholic School and Platanos College from September 2019 until lockdown. At the point we had to stop the project, most of the students had started work on their final pieces, and so we spent March and April communicating with teachers and students to collate the majority of the participants' work and have them edited for performance.

SOUTHWARK PLAYHOUSE THEATRE COMPANY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENT AND PERFORMANCE - continued

Future Voices – continued

The problem was, we weren't able to perform them, as the theatre was closed. It felt a real shame for all the hard work that went into the project to be forgotten. We had already appointed a director, Grace Gibson, who was going to stage the pieces as staged readings at the Playhouse. In conversation with her, it was decided that we would instead turn the students' pieces into short films.

This was far more of an undertaking than we had perhaps envisaged, as there was very little experience of filming amongst us. Added to the fact that all filming would need to be done remotely, with actors using equipment from home, and there were points when it felt like we had bitten off more than we could chew!

Working with 24 actors across in their homes across the country, we sent them out equipment, props and costume to enable them to record themselves, with Grace meeting and directing them solely via Zoom. Most films took one or perhaps two days to film, with ten films being made across the month of July.

We had an excellent team to support us, including editor Ben Hewis and students from London College of Communications, who were able to support us with the technical side of the project.

The films were really well received by the writers, teachers and by some reviews online.

Black Writers Collective

For Black History Month in 2019, we worked with a small group of young people to write and perform their own short pieces. Off the back of that, we secured some funding to set up a more regular and permanent writing group for black writers of all ages.

Launch was delayed due to the lockdown, but we eventually managed to do this online in July. Led by award-winning playwright Yolanda Mercy, who has worked on projects at the Playhouse before, we welcomed fifteen writers aged 16 – 26, at all stages of experience, to take part in the project.

Across a series of ten initial workshops, participants were led through writing activities with Yolanda, and shared their work with each other. We also welcomed guest speakers including writer and actor Nathan Bryon, Charlotte Bennett (Artistic Director of Paines Plough), as well as industry figures from Audible and Nick Hern Books.

This built towards a showcase where the members of the group shared their work - which we had to do online because of the second lockdown. Getting feedback beforehand from Yolanda and writer/director Jade Lewis, the showcase itself was a combination of the writers performing their own work, and five actors directed by Lakesha Arie-Angelo who performed the writers' work.

The group has continued meeting subsequently, and we have secured funding to continue into the new year, following a similar pattern of sharing work, inviting guest speakers and giving the participants a stage to share their work further, and we hope to see the group develop further in 2021.

Muse of Fire

In the Autumn of 2019 we were approached by charity Arts 4 Dementia, about the possibility of us running a drama project for adults living in Southwark who had been diagnosed with early stage dementia and their carers. Arts 4 Dementia follow the social prescribing model, whereby they work closely with doctors, hospitals and NHS providers to have patients referred to their projects, to recognise the therapeutic benefit of the arts in their treatment.

Arts 4 Dementia were funded specifically in Southwark, hence why they approached us, as well as Siobhan Davies Dance Studio, who would be leading a movement and dance project. We launched in January 2020, with the plan of following a model of three eight-week terms across the year. We were able to run the first term completely in person, with around 12 participants attending across those weeks. Working with practitioners Lucy Dear and Nicola Hollingshead, the term was spent developing the 'ensemble', exploring theatrical skills and building participants confidence.

It was agreed that Term 2 in the spring/summer and then Term 3 in the Autumn would all take place online. Some of the participants who were in the room were unfortunately unable to manage online, but we worked with around 6 participants across these two terms. Term 2 saw us develop some humorous and moving responses to lockdown, whilst Term 3 saw us explore more long-form devising, as well as using text as diverse as Shakespeare and Caryl Churchill.

Across the year, the project was supported by students on the Drama BA at London South Bank University as well as medical students from a range of London universities. A comprehensive evaluation report is being written, and we have committed to running the project for at least another year.

SOUTHWARK PLAYHOUSE THEATRE COMPANY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENT AND PERFORMANCE - continued

Opening Doors

Back in 2018, we secured funding from the London Community Foundation to build stronger links with our local community in Elephant and Castle through a series of opportunities. Our initial offering was a series of workshops across 2018-19 for local residents, which was to be followed up with a full-scale performance in 2020.

Lockdown again jeopardised what we might have been able to do, but teaming up with John Whelan, who runs the People's Company and is an absolute stalwart of the local community arts scene, we decided to bring to life an idea he had been developing that explored the past 2000 years of local history.

Initially we hoped to do this as a live performance, and then as a high quality recording/audio play, but with the second lockdown meaning that we weren't even able to meet inside, we decided instead to do it as a live Zoom audio play. This was the first time that all three main participatory groups at the Playhouse have teamed up (People's Company, Young Company and Elders Company), with each group taking on one scene each to bring to life a story from the history of Walworth and the Elephant and Castle.

Rehearsing with John throughout November, the performance took place in early December, with an online audience of around 180 people, which was a real vindication of John's work in the community, and hopefully the start of more collaborations.

Cherry Garden

We were unable to run projects as normal with Cherry Garden School this year, but myself and our practitioner in residence, Alice McKenzie, were keen to explore ways of working with the school where possible.

Noticing that a lot of video content was being made by the school to share with students and families at home, we decided to make our own short films, using simple drama games and activities.

Crafting a narrative around a voyage to a desert island, we made six films telling a story, and used simple repetition, singing and actions for parents and students to copy along with at home.

The schools' Christmas performance which we are usually involved in will be totally virtual this year, but we plan to run projects in 2021 with the school as soon as we are able.

SOUTHWARK PLAYHOUSE THEATRE COMPANY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW

Statement of Financial Activities

The Statement of Financial Activities (SOFA) shows the extent of, and movement in, all charitable funds differentiating between restricted funds (monies provided for specific purposes) and unrestricted funds (monies which can be applied to any charitable objectives within the organisation's objectives). Unrestricted funds include funds designated by the trustees for specific future investment in the organisation. At the year end the unrestricted fund balance totalled £254,001 (2019: £85,429) and the restricted funds totalled £1,650,296 (2019: £891,596) therefore resulting in total funds at 31 December 2020 of £1,904,297 (2019: £977,025); of these £2,806,010 are represented by fixed assets such as buildings and equipment (2019: £763,900).

Total incoming resources for the year were £2,159,493 (2019: £1,504,261).

Owing to the Coronavirus pandemic our main sources of income were almost solely from loans, donations and grants, most of which were for the ongoing capital project but a significant amount were from emergency funding sources. Earned income sources fell drastically: theatre rental £141,971 (2019: £398,766), bar/café income £136,573 (2019: £301,964) and managed production income £18,615 (2019: £82,035).

The year's accounts show a surplus of £927,272 (2019: £488,560) of which this is largely owing to the claim of capital project funds, a reduction in admin and sales costs due to not being able to open the theatre and support from Covid specific funding including the Culture Recovery Fund and the Job Retention Scheme.

Restricted Funds

Restricted Fund movements in the year largely represent grants and donations towards our capital project, but also towards staffing, overheads and other activities through Covid specific emergency funding received.

Unrestricted Funds

These represent the operational income of the charity (e.g. ticket sales, bar sales, venue hire), as well as grants and donations towards the activities of the charity as a whole.

Reserves Policy

The reserves policy is reviewed annually by the Trustees as part of the preparation and approval process of the annual report and accounts for both Southwark Playhouse Theatre Company and Southwark Playhouse Trading Ltd.

Reserves held are currently allocated for the following purposes:

- Artistic Programme - £25,000 – to allow development of future productions at the playhouse.
- Operational - £125,000 – three months' worth of running costs to allow for any unexpected drops in the organisation's income.

The Trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The Trustees consider that, given the nature of the charity's work, the level of free reserves should be approximately equivalent to 3 month's annual expenditure on unrestricted funds at any one time, plus provisions for staff redundancy and similar costs. The Trustees are of the opinion that this provides sufficient flexibility to cover temporary shortfalls in incoming resources due to the timing differences in income flows, adequate working capital to cover core costs, and will allow the charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

SOUTHWARK PLAYHOUSE THEATRE COMPANY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW - continued

Risk Management

As part of the annual policy review trustees identified the major risks (financial, governance/compliance, operational and external risks) facing the Charity over the coming years.

Each risk is assessed accordingly to the likelihood, and potential impact, and systems and procedures to manage those risks are agreed and embedded by the trustees and staff. Some of the main risks facing the charity are:

Operational/ Financial – Continuation of public performance space enforced closure due to Covid-19. Loss of confidence from theatre producers and audiences for presenting and attending live performance. Loss of income due to cancelled performances and reduced bar and theatre capacity. Investment in livestreaming technology, use of government funding schemes for the arts and furloughed workforce.

Financial – Potential decline in charitable and sponsorship funds. Mitigation: Decrease number of productions in favour of paid hires; find new – and develop existing – sources of earned income; identify and make efficiency savings; when possible build reserve levels.

Financial - Decline in audience numbers. Mitigation: Develop aggressive and targeted marketing strategies to bring audiences back and develop new audiences; incentivise attendance with special offers and deals; market the bar independently of the theatre.

Reputational – Safeguarding incident. Mitigation: All staff briefed on safeguarding policy – aware of procedures on how to prevent, identify and deal with potential incidents. Use of DBS checks for all those in contact with young people and vulnerable groups.

Impact, Operational & Reputational - Data breach – Mitigation: All staff trained on responsibilities under GDPR legislation; Cloud based back-up of all data with financial transaction details not available on site; clear process and rigorous strategy for dealing with breaches.

FUTURE PLANS

Newington Causeway (Current Premises)

Our current premises, an old warehouse and office building, were fitted out in 2013 as a temporary theatre while we awaited completion of the proposed new theatre at London Bridge. Our current lease runs until April 2023, and dependent on the development plans of our landlord, we are likely to extend the lease while we secure a premises to replace the proposed venue within London Bridge Station. However, the temporary nature of the building is starting to show and is likely to need some capital investment to sustain it for a few more years.

London Bridge

At the end of the year we had finally reached terms for a settlement with Network Rail which finally completed in May 2021. This sadly marks the end of our campaign to move back to our old home within the arches of London Bridge Station.

However, we began approaching local developers planning new schemes in the area to see if there was suitable cultural space available. After discussion around a different development, developer CIT invited us to discuss plans for an exciting development on the site of Colechurch House, next to London Bridge station. So far, provisional plans and draft Heads of Terms have been issued and we have been included as part of the section 106 obligations in their planning application. The scheme will provide us with two theatre spaces, a rehearsal space and the necessary front and back of house space. The deal would provide us with a completely fitted out theatre and a long term lease at an affordable rent. However, negotiations are ongoing and details are yet to be agreed. Currently the developer is aiming to complete and handover in 2024.

SOUTHWARK PLAYHOUSE THEATRE COMPANY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

FUTURE PLANS – continued

Newington Butts

The fit out of the new theatre at Newington Butts continued throughout the year. The overall programme had been delayed owing to the extended lead times of several elements of the build. Additionally, the onset of the Covid pandemic affected supply lines and the availability of labour on site which ultimately resulted in a month's pause of the works in May. This pause fortuitously gave us time to drive forward all the necessary admin to finally rubber stamp and release funds from the Unity Trust Bank loan and to complete the Southwark Council loan agreement and release those funds too.

The project reached practical completion in October 2020. The project was completed with several tasks outstanding: the installation of VRF units on the roof to drive the theatre's air conditioning; the installation of the demountable balconies; the installation of stage lighting, sound and AV infrastructure; and the outstanding 'client direct' items including small decorations, fixture and fittings. These items will be financed using the settlement income from Network Rail.

As of writing this in July 2021, we have begun client direct works and, now that the settlement funds have arrived with us we are approaching contractors for proposals to complete the larger installations. Owing to the Covid 19 pandemic, we are currently taking a cautious approach with regards to opening. We are planning for an early to mid-2022 opening, while we await to see how the current easing of restrictions go.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and Structure

The charity is constituted as a company limited by guarantee, and is therefore governed by a memorandum and articles of association. The maximum liability of members in the event of winding up is £1. At 31 December 2020 there were 7 members who are all Directors of the company.

Governance

The activities of the charity are supervised by the Trustees, who meet as a board four times each year, or more often if necessary. The trustees delegate the day to day management of the charity to its paid staff, particularly to the Chief Executive. The high quality and professional experience of the Board continue to provide strong support and direction for the Theatre's team and staff.

Trustee Recruitment

The Trustees are drawn from people who have shown a keen interest in the Theatre, giving due consideration to the required skills, experience and diversity of the Board body. New Trustees are recommended by Trustees and the Chief Executive and are approved by the Board. Their appointment is then confirmed at the Annual General Meeting. When they are first appointed, Trustees receive an induction pack and are briefed by the Chairman and Chief Executive, as well as having the chance to meet other staff. The board's performance is reviewed annually by the Chair.

Key management

The key management personnel of the charitable company are the Board of Trustees, the Chief Executive who is also the Artistic Director, the General Manager, the Youth and Community Director, the Communications Manager, the Technical and Production Manager and the Theatre Manager. All members of the board give their time freely and no board members received remuneration in the year. Details of expenses reimbursed to trustees are disclosed in note 11. There are no related party transactions.

Remuneration for the key management is reviewed annually and set by the Board of Trustees.

SOUTHWARK PLAYHOUSE THEATRE COMPANY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Southwark Playhouse Theatre Company for the purposes of company law) are responsible for preparing the Report of the Trustees 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 that period. In preparing these financial statements, the trustees are required to:

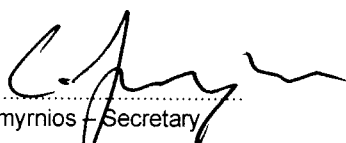
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 enable 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 auditors are 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 auditors are aware of that information.

Approved by order of the board of trustees on 13 July 2021 and signed on its behalf by:


C Smyrniotis – Secretary

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOUTHWARK PLAYHOUSE THEATRE COMPANY

Opinion

We have audited the financial statements of Southwark Playhouse Theatre Company (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group and Parent Cash Flow Statement and notes to the financial statements, including 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 group's and parent charitable company's affairs as at 31 December 2020, and of the group'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; 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 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 the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOUTHWARK PLAYHOUSE THEATRE COMPANY

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' report (incorporating 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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 and sufficient 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's 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 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 groups and 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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOUTHWARK PLAYHOUSE THEATRE COMPANY

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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.

Azets Audit Services

John Howard (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Statutory Auditor, Chartered Accountants

2nd Floor, Regis House

45 King William Street

London

EC4R 9AN

Date *20 July 2021*

SOUTHWARK PLAYHOUSE THEATRE COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	2019 Total Funds £
INCOME					
Donations, grants and legacies	3	590,922	1,170,429	1,761,351	648,622
Charitable activities	4	160,586	48,622	209,208	545,146
Other trading activities	5	136,573	-	136,573	301,964
Investment income	6	252	-	252	661
Other income	7	52,109	-	52,109	7,868
Total		<u>940,442</u>	<u>1,219,051</u>	<u>2,159,493</u>	<u>1,504,261</u>
EXPENDITURE ON					
Raising funds	8	181,784	-	181,784	303,110
Charitable activities	9	590,086	460,351	1,050,437	712,591
Total	10	<u>771,870</u>	<u>460,351</u>	<u>1,232,221</u>	<u>1,015,701</u>
NET INCOME/(EXPENDITURE)		168,572	758,700	927,272	488,560
RECONCILIATION OF FUNDS					
Total funds brought forward	23	<u>85,429</u>	<u>891,596</u>	<u>977,025</u>	<u>488,465</u>
TOTAL FUNDS CARRIED FORWARD		<u>254,001</u>	<u>1,650,296</u>	<u>1,904,297</u>	<u>977,025</u>

All of the results are from continuing activities and include all gains and losses recognised in this year and last.

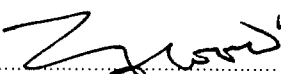
The notes on pages 18 to 28 form part of these financial statements.

SOUTHWARK PLAYHOUSE THEATRE COMPANY
CONSOLIDATED AND CHARITABLE COMPANY BALANCE SHEET
AT 31 DECEMBER 2020

Company number - 02994954

	Notes	GROUP 2020 £	2019 £	Charitable Company 2020 £	2019 £
FIXED ASSETS					
Tangible assets	14	2,806,010	763,900	2,805,410	762,548
Fixed asset investment	15	-	-	100	100
		<u>2,806,010</u>	<u>763,900</u>	<u>2,805,510</u>	<u>762,648</u>
CURRENT ASSETS					
Stocks	16	4,604	8,648	-	-
Debtors	17	62,607	106,539	77,225	111,144
Cash at bank		576,220	861,212	568,898	855,632
		<u>643,431</u>	<u>976,399</u>	<u>646,123</u>	<u>966,776</u>
CREDITORS					
Amounts falling due within one year	18	(688,335)	(763,274)	(684,346)	(752,399)
		<u>(44,904)</u>	<u>213,125</u>	<u>(38,223)</u>	<u>214,377</u>
NET CURRENT ASSETS					
		<u>2,761,106</u>	<u>977,025</u>	<u>2,767,287</u>	<u>977,025</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>2,761,106</u>	<u>977,025</u>	<u>2,767,287</u>	<u>977,025</u>
CREDITORS					
Amounts falling due after more than one year	19	(856,809)	-	(856,809)	-
		<u>1,904,297</u>	<u>977,025</u>	<u>1,910,478</u>	<u>977,025</u>
NET ASSETS					
		<u>1,904,297</u>	<u>977,025</u>	<u>1,910,478</u>	<u>977,025</u>
FUNDS					
Unrestricted funds		254,001	85,429	260,182	85,429
Restricted funds	23	1,650,296	891,596	1,650,296	891,596
		<u>1,904,297</u>	<u>977,025</u>	<u>1,910,478</u>	<u>977,025</u>
TOTAL FUNDS					
		<u>1,904,297</u>	<u>977,025</u>	<u>1,910,478</u>	<u>977,025</u>

The financial statements were approved by the Board of Trustees on 13 July 2021 and were signed on its behalf by:


T Wood - Trustee

The notes on pages 18 to 28 form part of these financial statements.

SOUTHWARK PLAYHOUSE THEATRE COMPANY
CONSOLIDATED AND CHARITABLE COMPANY CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	GROUP 2020 £	2019 £	Charitable Company 2020 £	2019 £
Cash used in operating activities	26	<u>473,182</u>	<u>889,295</u>	<u>471,203</u>	<u>893,486</u>
Cash flows from investing activities					
Interest received		252	661	252	661
Disposal of tangible fixed assets		14,000	-	14,000	-
Purchase of tangible fixed assets		(2,091,816)	(644,862)	(2,091,579)	(643,412)
Cash provided by (used in) investing activities		<u>(2,077,564)</u>	<u>(644,862)</u>	<u>(2,077,327)</u>	<u>(643,412)</u>
Cash flows from financing activities					
Repayment of borrowings		(17,860)	-	(17,860)	-
Cash inflows from new borrowings		1,320,000	-	1,320,000	-
Interest paid		17,250	-	17,250	-
Cash provided by (used in) financing activities		<u>1,319,390</u>	<u>-</u>	<u>1,319,390</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		<u>(284,992)</u>	<u>245,094</u>	<u>(286,734)</u>	<u>250,074</u>
Cash and cash equivalents at the beginning Of the reporting period	27	<u>861,212</u>	<u>616,118</u>	<u>855,632</u>	<u>605,558</u>
Cash and cash equivalents at the end of the reporting period	27	<u>576,220</u>	<u>861,212</u>	<u>568,898</u>	<u>855,632</u>

The notes on pages 18 to 28 form part of these financial statements.

SOUTHWARK PLAYHOUSE THEATRE COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

Southwark Playhouse Theatre Company is a charitable company limited by guarantee in the United Kingdom. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charitable company's operations principle activities are set out on page 2.

2. ACCOUNTING POLICIES

The principal account 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 of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to all years presented unless otherwise stated.

b) Basis of Consolidation

These financial statements consolidate the results of the Charity and its wholly owned subsidiary, Southwark Playhouse Trading Limited, on a line by line basis in accordance with FRS 102 – section 9 and the SORP (FRS 102) – section 24.

Details of Southwark Playhouse Trading Limited are given in note 15 of the financial statements.

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

c) Going Concern

At the date of approving these financial statements social distancing measures are still in place in the UK and full theatre opening dates are still uncertain. The trustees have assessed the financial consequences and plans in place. They are confident financial resources are sufficient to meet its liabilities beyond than the next 18 months, the accounts have therefore been prepared on a going concern basis.

SOUTHWARK PLAYHOUSE THEATRE COMPANY

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

2. ACCOUNTING POLICIES – continued

d) Funds

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements

e) Income

Income is recognised in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that income be received and the amount can be measured reliably.

- Income from donations and grants are included in incoming resources when they are receivable unless the donor has specified that the donation or grant relates to a future period.
- Income from charitable activities which represents managed productions and theatre rentals is included in income resources in the period in which relevant performance takes place. Income related to productions in a subsequent period is treated as deferred income.
- Income from trading activities which represents the income from the sale of catering and bar facilities is recognised as earned.

f) Expenditure

All expenditure is accounted for on an accruals basis and have been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds comprise the costs of the front of house staff and their associated support costs.
- Expenditure on charitable activities includes the costs of performances and other educational activities undertaken to further the purpose of the charitable company and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

g) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trusts artistic programmes and activities. These costs have been allocated within expenditure on charitable activities.

h) Operating lease

The Charitable Company classifies the rental lease as an operating lease; the title to the building remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

i) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets, at rates calculation to write off the cost of each asset on a straight line basis over the asset's estimated useful lives as follows:

Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Asset Improvements	- over 3 years

Amounts included in assets under construction relate to building work on the new Southwark Playhouse Elephant theatre that is partially complete at the year end. No depreciation is charged on these amounts until the asset is complete. See Note 14.

SOUTHWARK PLAYHOUSE THEATRE COMPANY

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

2. ACCOUNTING POLICIES – continued

j) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

k) Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income is measured at the amount due to be received.

l) 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 accounts.

m) Creditors

Creditors are recognised where the charitable company 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 recognised at their settlement amount due.

n) Financial instruments

The charitable company 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.

o) 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 charity 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.

p) Judgements and key sources of estimation uncertainty

Accounting 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 following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 1 for the carrying amount of the property plant and equipment, and note i for the useful economic lives for each class of assets.

There are no key assumptions concerning the future and other key 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 financial year.

SOUTHWARK PLAYHOUSE THEATRE COMPANY

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

3. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	2019 Total Funds £
Future Playhouse	-	1,167,623	1,167,623	639,203
The Wall	-	2,806	2,806	4,780
Other donations and grants	590,922	-	590,922	4,639
	<u>590,922</u>	<u>1,170,429</u>	<u>1,761,351</u>	<u>648,622</u>

In 2019, £4,639 of the income was attributable to the unrestricted fund, and the remaining £643,983 was attributed to the restricted fund.

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £	2019 Total Funds £
Managed Production	18,615	-	18,615	82,035
Theatre Rental	141,971	-	141,971	398,766
Youth & Community (restricted)	-	48,622	48,622	64,345
	<u>160,586</u>	<u>48,622</u>	<u>209,208</u>	<u>545,146</u>

In 2019, £408,801 of income from charitable activities was attributable to the unrestricted fund and the remaining £64,345 was attributable to the restricted fund.

5. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	2019 Total Funds £
Income from trading activities	136,573	-	136,573	301,964
	<u>136,573</u>	<u>-</u>	<u>136,573</u>	<u>301,964</u>

In 2019 all of the £301,964 other trading activities income was attributable to the unrestricted fund.

6. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	2019 Total Funds £
Bank interest	252	-	252	661
	<u>252</u>	<u>-</u>	<u>252</u>	<u>661</u>

In 2019 all of the £661 investment income was attributable to the unrestricted fund.

7. OTHER INCOME

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	2019 Total Funds £
Other income	1,068	-	1,068	7,868
Job retention scheme	51,041	-	51,041	-
	<u>52,109</u>	<u>-</u>	<u>52,109</u>	<u>7,868</u>

In 2019 all of the £7,868 other trading activities income was attributable to the unrestricted fund.

SOUTHWARK PLAYHOUSE THEATRE COMPANY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

8. RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	2019 Total Funds £
Commercial Front of office operations	38,789	-	38,789	35,866
Expenditure on trading activities	142,754	-	142,754	266,799
Future Playhouse	241	-	241	445
	<u>181,784</u>	<u>-</u>	<u>181,784</u>	<u>303,110</u>

In 2019 all the £303,110 of the expenditure in relation to raising funds was attributable to the unrestricted fund.

9. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	2019 Total Funds £
Managed Production	590,086	-	590,086	585,257
Youth & Community	-	60,635	60,635	55,563
New Venue Costs	-	399,716	399,716	71,771
	<u>590,086</u>	<u>460,351</u>	<u>1,050,437</u>	<u>712,591</u>

In 2019 £585,257 of the expenditure in relation to charitable activities was attributable to the unrestricted fund, with the remaining £127,334 being attributable to the restricted fund.

10. EXPENDITURE

	Direct costs £	Support costs (See note 11) £	Total 2020 £	Total 2019 £
Managed Production	21,914	568,172	590,086	585,257
Youth & Community	60,635	-	60,635	55,563
New Venue Costs	95,516	304,200	399,716	71,771
	<u>178,065</u>	<u>872,372</u>	<u>1,050,437</u>	<u>712,591</u>
Raising funds	178,171	3,613	181,784	303,110
	<u>356,236</u>	<u>875,985</u>	<u>1,232,221</u>	<u>1,015,701</u>

11. SUPPORT COSTS

	Staff costs £	Establishment costs £	Governance costs £	Totals £
Managed Production	266,343	295,479	6,350	568,172
New Venue Costs	-	304,200	-	304,200
Raising funds	-	-	3,613	3,613
	<u>266,343</u>	<u>599,679</u>	<u>9,963</u>	<u>875,985</u>

SOUTHWARK PLAYHOUSE THEATRE COMPANY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

11. SUPPORT COSTS – CONTINUED

Support costs, including in the above, are as follows:-	2020 £	2018 £
Wages	266,343	217,046
Software licences	1,037	521
Recruitment fees	-	275
Rent & rates	108,468	129,395
Other establishment costs	469,060	194,911
Accountancy fees	4,964	504
Advertising & PR	6,150	19,280
Legal & professional fees	10,000	-
Auditors remuneration (Parent only £4,350)	7,200	7,050
Auditors remuneration – non audit work	2,763	3,180
	<u>875,985</u>	<u>572,162</u>

12. NET INCOME/(EXPENDITURE)

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
Net income/(expenses) is stated after charging/(crediting):				
Auditors' remuneration	7,200	7,050	4,350	4,250
Auditors' remuneration for non-audit work	2,763	3,180	2,000	1,792
Depreciation - owned assets	35,706	13,083	34,717	12,064

13. ANALYSIS OF STAFF COSTS, TRUSTEES REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
Wages and salaries	335,486	345,987	246,995	206,496
Social security costs	19,404	21,902	14,286	13,141
Pension	5,980	5,761	4,403	3,456
	<u>360,870</u>	<u>373,650</u>	<u>265,684</u>	<u>223,093</u>
The average number of employees (full time equivalent) during the year was:	22	22	16	13

Employee time has been allocated either;

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

No employee received emoluments above £60,000 (2019: none).

During 2020 no trustees (2019: £nil) were paid or received any other benefits from employment with the charity. Also, during the year no trustees (2019: £nil) were reimbursed for expenses.

The key management of the charity comprise of the board of trustees and those listed on page 1 of the financial statements.

The total employee benefits of the key management personnel of the Charity were £209,216 (2019: £206,474)

SOUTHWARK PLAYHOUSE THEATRE COMPANY

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

14. TANGIBLE FIXED ASSETS

CONSOLIDATED	Assets under construction £	Plant and machinery £	Fixtures and fittings £	Asset Improvements £	Totals £
COST					
At 1 January 2020	715,315	79,348	200,623	14,400	1,009,686
Additions	2,052,224	39,592	-	-	2,091,816
Disposals	-	-	-	(14,400)	(14,400)
At 31 December 2020	2,767,539	118,940	200,623	-	3,087,102
DEPRECIATION					
At 1 January 2020	-	72,037	173,349	400	245,786
Charge for year	-	8,432	27,274	-	35,706
Released on disposal	-	-	-	(400)	(400)
At 31 December 2020	-	80,469	200,623	-	281,092
NET BOOK VALUE					
At 31 December 2020	2,767,539	38,471	-	-	2,806,010
At 31 December 2019	715,315	7,311	27,274	14,000	763,900
CHARITY					
	Assets under construction £	Plant and machinery £	Fixtures and fittings £	Asset Improvements £	Totals £
COST					
At 1 January 2020	715,315	74,769	200,623	14,400	1,005,107
Additions	2,052,224	39,355	-	-	2,091,579
Disposals	-	-	-	(14,400)	(14,400)
At 31 December 2020	2,767,539	114,124	200,623	-	3,082,286
DEPRECIATION					
At 1 January 2020	-	68,810	173,349	400	242,559
Charge for year	-	7,443	27,274	-	34,717
Released on disposal	-	-	-	(400)	(400)
At 31 December 2020	-	76,253	200,623	-	276,876
NET BOOK VALUE					
At 31 December 2020	2,767,539	37,871	-	-	2,805,410
At 31 December 2019	715,315	5,959	27,274	14,000	762,548

SOUTHWARK PLAYHOUSE THEATRE COMPANY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

15. INVESTMENT

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
Investment in Southwark Playhouse Trading Limited	-	-	100	100

Southwark Playhouse Trading Limited is a private limited Company, registered number 9264350. The company was incorporated on the 15 October 2014 and 100% of the £100 ordinary share capital is owned by Southwark Playhouse Theatre Company. It has been consolidated on a line by line basis. During the period to 31 December 2020 Southwark Playhouse Trading Limited made a £39,103 loss (2019: £35,165 profit) based on turnover £103,653 (2019: £301,964). The company had capital and reserved of £39,003 Debit (2019: £100 credit).

16. STOCKS

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
Finished goods	4,604	8,648	-	-

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	-	8,808	-	8,568
Amounts owed by group undertaking	-	-	15,640	9,757
Other debtors	26,504	51,221	25,482	46,309
Prepayments and accrued income	36,103	46,510	36,103	46,510
	<u>62,607</u>	<u>106,539</u>	<u>77,225</u>	<u>111,144</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	33,155	67,720	33,170	61,032
Social security and other taxes	6,122	6,682	6,122	6,682
Other creditors	160,245	218,828	160,245	218,828
Accruals and deferred income (note 18A)	26,232	470,044	22,228	465,857
Bank loans (note 20)	462,581	-	462,581	-
	<u>688,335</u>	<u>763,274</u>	<u>684,346</u>	<u>752,399</u>

18A DEFERRED INCOME

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
Balance at 1 January	456,164	-	456,164	-
Deferred during the year	-	456,164	-	456,164
Released during the year	(456,164)	-	(456,164)	-
	<u>-</u>	<u>456,164</u>	<u>-</u>	<u>456,164</u>

SOUTHWARK PLAYHOUSE THEATRE COMPANY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

19. CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
Bank loans (note 20)	856,809	-	856,809	-

20. BORROWINGS

	Consolidated		Charity	
	2020	2019	2020	2019
	£	£	£	£
An analysis of loans is given below:				
Amounts falling due within one year				
Bank loans	462,581	-	462,581	-
Amounts falling due between one and two years				
Bank loans	62,581	-	62,581	-
Amounts falling due between two and five years				
Bank loans	250,325	-	250,325	-
Amounts falling due after five years				
Bank loans	543,903	-	543,903	-

During 2020 the following loans were taken out:

Unity Trust – A loan of £950,000 (maximum loan agreed was £1,250,000) with an interest rate of +2.9% per annum over Unity's Base Rate, repayable over 234 months. The amount is secured on the lease of 80 Newington Butts.

HSBC bounce bank loan – A loan of £50,000 with an interest rate of 2.5% per annum, repayable over 59 months. This is an unsecured loan and was paid back on the 23 June 2021.

South Council Loan – A loan of £350,000 with an interest rate of 4.5% per annum, repayable in 12 months. This is an unsecured loan.

21. OPERATING LEASE COMMITMENTS – Consolidated and charity

The charity had total commitments under an operating leases are:

	Land and buildings		Equipment	
	2020	2019	2020	2019
	£	£	£	£
Expiring:				
Not later than one year	84,212	109,212	-	600
Later than one and not later than five years	105,137	186,849	-	-
Later than five years	292,500	295,000	-	-

Our current lease expires on 8 April 2023 – with a break in April 2021 and a landlord only break in April 2022.

The lease at the current premises is on the following schedule:

9 April 2020 – 8 April 2021: £100,000 p/a

9 April 2021 – 8 April 2023: £75,000 p/a

The lease at Southwark Playhouse Elephant is for 125 years on a 'pepper-corn' rent of £2,500 p/a from 7 February 2018.

SOUTHWARK PLAYHOUSE THEATRE COMPANY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	2020 Total funds £
Consolidated:			
Fixed assets	38,471	2,767,539	2,806,010
Current assets	228,665	414,766	643,431
Current liabilities	(13,135)	(1,532,009)	(1,545,144)
	<u>254,001</u>	<u>1,650,296</u>	<u>1,904,297</u>

22a. ANALYSIS OF NET ASSETS BETWEEN FUNDS - 2019

	Unrestricted fund £	Restricted funds £	2018 Total funds £
Consolidated:			
Fixed assets	183,585	580,315	763,900
Current assets	318,677	657,722	976,399
Current liabilities	(416,833)	(346,441)	(763,274)
	<u>85,429</u>	<u>891,596</u>	<u>977,025</u>

23. RESTRICTED FUNDS – Consolidated and charity 2020

	At 1 Jan 2020 £	Income £	Expenditure £	At 31 Dec 2020 £
Restricted funds				
Managed Productions	-	-	-	-
Theatre Rental	-	-	-	-
Youth & Community	30,209	48,622	(60,635)	18,196
The Wall	17,247	2,806	-	20,053
Future Playhouse	844,140	1,167,623	(399,716)	1,612,047
	<u>891,596</u>	<u>1,219,051</u>	<u>(460,351)</u>	<u>1,650,296</u>

Restricted Funds

Managed Productions/Theatre Rental

This represents funding for visiting company productions to be spent on a weekly venue hire fee charged by Southwark Playhouse for specified shows. It includes funds brought forward from the previous year as well as funding for secured and fully spent in the current year. There was no restricted income and expenditure noted in 2020.

Youth & Community

This represents funding for the Youth and Community programme, brought forward from the previous year as well as project funding secured and fully spent in the current year and funds received but to be spent in 2021 including: Team London Bridge, National Lottery Community Fund, The Boris Karloff Foundation, The Boshier Hinton Foundation and The David Solomons Charitable Trust.

The Wall

This represents individual donations towards Southwark Playhouse Elephant costs. A public campaign fundraising initiative set up in 2018; individuals and organisations purchase wall segments in £50 blocks, creating a personalised design to be displayed collectively as a piece of wall-art at the Southwark Playhouse Elephant. Owing to delay due to Covid 19 funds received in 2018, 2019 and 2020 to be spent in 2021.

Future Playhouse

This represents funding for the Southwark Playhouse Elephant capital project, from trusts, foundations, organisations and individuals, brought forward from the previous year as well as secured and spent in the current year.

SOUTHWARK PLAYHOUSE THEATRE COMPANY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

23a. RESTRICTED FUNDS – Consolidated and charity 2019

	At 1 Jan 2019	Income	Expenditure	At 31 Dec 2019
	£	£	£	£
Restricted funds				
Managed Productions	-	-	-	-
Theatre Rental	-	-	-	-
Youth & Community	21,427	64,345	(55,563)	30,209
The Wall	12,467	4,780	-	17,247
Future Playhouse	276,708	639,203	(71,771)	844,140
	<u>310,602</u>	<u>708,328</u>	<u>(127,334)</u>	<u>891,596</u>

24. CAPITAL COMMITMENTS

As at the 31 December 2020 other than the leases detailed within note 21, the charity had no other capital commitments (2019: £nil)

25. RELATED PARTY DISCLOSURES

There were no related party transaction for the year ended 31 December 2020 (2019: none)

26. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Consolidated		Charitable Company	
	2020	2019	2020	2019
	£	£	£	£
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	927,272	488,560	933,453	488,560
Adjustments for:				
Depreciation charge	35,706	13,083	34,717	12,064
Interest received	(252)	(661)	(252)	(661)
Decrease/(increase) in stocks	4,044	(1,980)	-	-
Decrease/(increase) in debtors	43,932	(39,816)	33,919	(34,968)
(Decrease)/increase in creditors	(537,520)	430,109	(530,634)	427,830
Net cash provided by (used in) operating activities	<u>473,182</u>	<u>889,295</u>	<u>471,203</u>	<u>892,825</u>

27. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Consolidated		Charitable Company	
	2020	2019	2020	2019
	£	£	£	£
Short-term deposits	<u>576,220</u>	<u>861,212</u>	<u>568,898</u>	<u>855,632</u>