

**THE PALACE THEATRE WATFORD LIMITED**

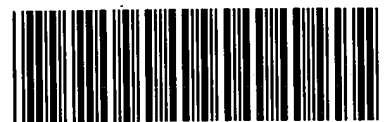
**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2025**

**Company Registration No. 3218719 (England and Wales)**

TUESDAY



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	Page
<b>Directors and Advisers</b>	<b>2</b>
<b>Report of the Directors</b>	<b>3 - 9</b>
<b>Report of the Independent Auditors</b>	<b>10 - 12</b>
<b>Statement of Financial Activities</b>	<b>13</b>
<b>Balance Sheet</b>	<b>14</b>
<b>Statement of Cash Flows</b>	<b>15</b>
<b>Notes to the Financial Statements</b>	<b>16 - 25</b>

**Directors**

Chair  
Chair

Aaqil Ahmed (appointed 29 September 2025)  
John Hunt (resigned 29 September 2025)

Governance Committee

Governance Committee  
Governance Committee  
Governance Committee

Governance Committee

Marilyn Devonish \*  
Agnieszka Dychton \*  
Felicity Evans  
Anne Fenton  
Sarah Golding  
Howard Groves  
Mark Lawrence  
Carol Lingwood  
Bibi Mauthoor  
Binita Mehta-Parmar  
Giles Rowland  
Brett Spencer  
Kenny Sperry  
Jayne Trotman

\* Directors nominated by Watford Borough Council.

**Secretary**

Jamie Arden

**Registered Office**

20 Clarendon Road  
Watford  
Herts WD17 1JZ

**Bankers**

National Westminster Bank plc  
72-74 High Street  
Watford  
Herts WD17 2BQ

**Auditor**

PKF Littlejohn LLP  
Statutory auditor  
15 Westferry Circus  
Canary Wharf  
London E14 4HD

**Charity Registration number**

1056950

**Company Registration number**

3218719

The Directors of the Charitable Company present herewith their Annual Report, together with the audited Financial Statements for the year ended 31 March 2025. This report is intended to fulfil the requirements both of Section 234 of the Companies Act 2006 and of the Charities Act 2011. The Directors have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

### **Reference and Administrative Details**

The Palace Theatre Watford Limited is a charitable company limited by guarantee and governed by a Memorandum and Articles of Association dated 17 May 1996.

### **Public Benefit**

The Trustees confirm that they have had regard to the guidance on public benefit issued by the Charity Commission when considering the objectives and activities of the Charitable Company.

### **Board of Directors**

The Directors and Trustees from 1 April 2024 to the date of the signing of the Financial Statements were as shown on page 2. The Directors shall have power at any time to appoint any person to be a Director, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with the Articles. Any Director so appointed shall hold office only until the following Annual General Meeting, and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting. Two Directors are nominated by Watford Borough Council. (There are specific requirements associated with the rotation of Directors, the terms of which are stated in the Memorandum and Articles of Association).

Trustees receive ongoing training, including attendance at strategic 'working parties' or away days.

The Directors and Trustees delegate the day to day running of the organisation to:

- Steve Marmion – Chief Executive and Director of Programming
- Jamie Arden – Executive Director and Company Secretary
- Andrew Phillips – Director of Finance

### **Powers of the Company**

The Directors take this opportunity to confirm that under Clause 3 of the Charitable Company's Memorandum of Association, it is empowered to carry out the activities reviewed in the Annual Report including, but not limited to, the beneficial investment of the Charitable Company's funds.

### **Strategic Objectives**

#### **Annual Report Snapshot 2024–25**

This has been a year of transformation at Watford Palace Theatre — one of change, renewal, and momentum. We set out to make the Palace a home that truly reflects its community, a place where world-class work and local creativity share the same stage. As the year closes, the building, the programme, and the people who make it all possible feel stronger than ever.

### **A Palace Reborn**

The most visible change will be the refurbishment for which we have raised the funds and made the plans: new studios, the 1908 Cabaret, and expanded training spaces to give us the capacity to host more artists, young people, and community groups than ever before. At the same time, our decarbonisation works will make the Palace greener, leaner, and future-ready. Behind the scenes, we've invested in our staff, with new roles and training ensuring the team has the skills and support to match our ambition.

**Made in Watford: A Year on Stage**

The programme has been both bold and broad. Our Young Company returned in spectacular fashion with *Spongebob: The Musical*, a production that brought new talent and technical apprentices to the stage. *Two of Us* — imagining a final meeting between Lennon and McCartney in John's New York apartment — which was made and premiered in Watford and then transferred to Home Manchester, all to standing ovations and national press attention.

The South Asian Comedy Festival brought huge diversity and audience response, while *Sitting in Limbo* gave voice to the powerful story of Windrush on our stage and across the national media.

Our festive season sparked with *Aladdin*, the highest-grossing panto in recent years, while *Bitch Boxer* picked up a Black British Theatre Award nomination. Our new musical *Frankie Goes to Bollywood* was made in Watford with our partners Rifco and toured the country, finishing up at London's Southbank Centre. Touring work continued to carry the Palace's name far beyond Hertfordshire, with our acclaimed show *Merchant of Venice 1936* twice transferring to the West End as well as the RSC and touring UK. Uncanny the hit BBC show and podcast, rehearsed and opened with us in Watford, live on our stage, before touring the country, and our show *Whipped Up!* that we made specifically for babies and toddlers, opened in Watford, transferred to London's Polka Theatre before embarking on an extensive tour across venues in the South East in partnership with House. We were also immensely proud to be the only UK date on an extensive worldwide tour for the powerhouse Belgian company Ontroerend Goed with a new version of their show *Fight Night*. Our work and our brand all reaching new audiences across the country – achieving our ambition to bring the World to Watford and then take Watford to the World.

**Building Audiences & Community**

Our audiences have grown again, with ticket sales up more than 5%, and participation climbing by 16%. The Young Company has expanded, with more young people than ever taking part onstage, backstage, and in training roles. And our building is busier than ever, with local partners — from the Chinese Association to Knit & Chat and the Herts' MIND Mental Health Café — making our front of house a true hub of community activity.

**Securing Our Future**

Financially, the year has been one of both strength and challenge. Turnover has grown by 32%. At the same time, we've made the deliberate choice to invest reserves in new roles, marketing and producing capacity, and essential works — ensuring resilience for the years ahead. We close the year forecasting a deficit, but with a clear plan to rebalance through stronger programming, sharper ticketing strategies, and an invigorated fundraising campaign.

**Raising Our Voice**

Watford Palace is firmly back in the public eye. Our partnerships with top PR and marketing agencies have put the Palace on national platforms — with coverage across the BBC, The Guardian, The Stage, and strengthened our relationship with local press e.g. Watford Observer. New film campaigns and striking visuals have begun to reshape how we tell our story, while sold-out houses and standing ovations tell their own story about the impact of the work on stage.

**Looking Ahead**

As we look to the year ahead, the energy in the building is undeniable. Productions like *The Void*, *Surinderella*, *Jack and the Beanstalk*, and *The Mesmerist* promise bold entertainment for every taste. Our new spaces are alive with activity. Our team is stronger, our audiences are returning in greater numbers, and our community is woven through everything we do.

We are proud to be Watford's home of entertainment with world-class work for everyone, on your doorstep.

**The Palace of Entertainment: Produced/Co-Produced shows and events included:**

- ***Two of Us***, written by Mark Stanfield, Richard Short and Barry Sloane, produced by Watford Palace Theatre, The Northern Players Company and Home, Manchester.
- ***Bitch Boxer***, written by Charlie Josphine and produced by Watford Palace Theatre.
- ***Frankie Goes to Bollywood*** by Pravesh Kumar, Niraj Chag, and Tasha Taylor Johnson, produced by Rifco Theatre Company and Watford Palace Theatre.
- ***Sitting in Limbo*** written by Shenagh Cameron and produced by Viva Theatre and Watford Palace Theatre.
- ***South Asian Comedy Festival***, produced by Watford Palace Theatre in association with Soho Theatre.
- ***Aladdin*** written by Steve Marmion and produced by Watford Palace Theatre.
- ***Uncanny Live***, produced by Tilted Sessions Ltd in association with Watford Palace Theatre.
- ***Fight Night*** produced by Ontroerend Goed and presented in partnership with Watford Palace Theatre

**The Palace of Entertainment: Received Programmed shows and events included:**

- ***Morgan and West's Massive Magic Show for Kids*** by Morgan and West
- ***Milkshake! Live on Holiday*** by Mark Thompson Productions
- ***Errol's Garden*** by Golden Toad Productions Ltd
- ***Horrible Histories: Rotten Royals*** by Birmingham Stage Company Ltd
- ***The Very Hungry Caterpillar*** by Still Hungry Ltd
- ***Science Museum: The Live Stage Show*** by Mark Thompson Productions
- ***Wifi Wars*** by Wifi Wars Ltd
- ***Black is the Colour of My Voice*** by Seabright Live Ltd
- ***Shock Horror*** by Thunder Road
- ***The Bar at the Edge of Time*** by Frozen Light
- ***Room on the Broom*** by Tall Stories Theatre Company Ltd
- ***Comedy Club 4 Kids*** by Comedy Club 4 Kids
- ***The Littlest Yak*** by LAStheatre
- ***Ministry of Science*** by Mark Thompson Productions
- ***Wifi Wars 2*** by Wifi Wars Ltd
- ***Ukelele Jam*** by Amy Tasker
- ***Bring Your Own Baby Comedy 9*** by Bring Your Own Baby Comedy (Carly Smallman)
- ***Tiny Dance: Music of Elton John*** by MRC presents

- ***Ricky Gervais & Friends*** by Live Nation
- ***Bring Your Own Baby Comedy 10*** by Bring Your Own Baby Comedy (Carly Smallman)
- ***Lost in Music*** by Entertainers Show Providers Ltd
- ***The Scummy Mummies Greatest Hits Show*** by Scummy Mummies Ltd
- ***Comedy Club 4 Kids 2*** by Comedy Club 4 Kids
- ***Legend: The Music of Bob Marley*** by Entertainers Show Providers Ltd
- ***Bring Your Own Baby Comedy 11*** by Bring Your Own Baby Comedy (Carly Smallman)
- ***Kizza: Bigfunkymagicman*** by Eddie Summers
- ***Taylor Swift Tribute*** by Red Entertainment
- ***Ricky Gervais: Work in Progress*** by Live Nation
- ***Bring Your Own Baby Comedy 12*** by Bring Your Own Baby Comedy (Carly Smallman)
- ***Comedy Club 4 Kids 3*** by Comedy Club 4 Kids
- ***Ballet Black Double Bill*** by Ballet Black
- ***Bring Your Own Baby Comedy 13*** by Bring Your Own Baby Comedy (Carly Smallman)
- ***Ed Gamble: Hot Diggity Dog*** by Avalon Productions
- ***Stewart Copeland: Have I said Too Much?*** by A Way With Media Productions Ltd
- ***Queenz: Drag Me to the Disco*** by David Michael Productions
- ***Bring Your Own Baby Comedy 14*** by Bring Your Own Baby Comedy (Carly Smallman)
- ***Rob Beckett: Giraffe*** by Off the Kerb Productions
- ***The Rat Pack Live*** by Entertainers Show Providers Ltd
- ***Ukelele Jam Festive Edition*** by Amy Tasker
- ***Frozen 2 Sing-A-Long*** (Film Screening)
- ***Help I Sexted My Boss*** (Live Film Screening)
- ***NT Live Screening: Nye*** (National Theatre As Live Film Screening)
- ***NT Live Screening: Macbeth*** (National Theatre As Live Film Screening)
- ***The Ronnie Scott's Story Soho Songbook*** by JBA Concerts
- ***Solve-Along-A-Murder-She-Wrote*** by Timothy Benzie
- ***Bollywood Time Machine*** by Luv Entertainment
- ***Ben Elton: Authentic Stupidity*** by Phil McIntyre Live
- ***Bring Your Own Baby Comedy 15*** by Bring Your Own Baby Comedy (Carly Smallman)

- ***Russell Kane: Hyperactive*** by Off the Kerb Productions
- ***Chaka: The Music of Chaka Khan*** by Murmur Live Ltd
- ***Ukulele Jam Workshop*** by Amy Tasker
- ***Bring Your Own Baby Comedy 16*** by Bring Your Own Baby Comedy (Carly Smallman)
- ***Aurie Styla: The Aurator Tour*** by Live Nation
- ***The BBC Big Band: Rhapsody in Blue*** by JBA Concerts and The BBC Big Band
- ***Peter Doherty: Anywhere in Albion*** by TEG Live Europe

**Take Part (WPYC Youth programmes)/Community/Business engagement events included:**

- ***Story Play*** – WPT storytelling sessions for early years
- ***Watford Palace Young Company 14-17s programme*** - Spring/Summer and Autumn/Winter 24/25
- ***Watford Palace Young Company 7-11s programme*** - Spring/Summer and Autumn/Winter 24/25
- ***Watford Palace Young Company 11-14s programme*** - Spring/Summer and Autumn/Winter 24/25
- ***The SpongeBob Musical: Youth Edition*** by Kyle Jarrow & Tina Landau, produced by the Watford Palace Young Company
- ***Drama Bootcamp: The Basics*** – WPYC Workshop
- ***Horror and Multimedia*** - WPT Hertfordshire Film Festival Workshop
- ***Make a Film in a Day*** – WPT Hertfordshire Film Festival Workshop
- ***Unleash Your Creativity workshop with Stop Motion Animation!*** – WPT Hertfordshire Film Festival Workshop
- ***Kalasetu: Building Cultural Bridges*** presented by Subrang Arts and produced by Watford Palace Theatre in association with the Celebrating Diwali Committee
- ***Kalasetu: Building Cultural Bridges Workshop*** with Subrang Arts and produced by Watford Palace Theatre in association with the Celebrating Diwali Committee
- ***Chinese New Year Culture Show*** in partnership with UK-China National Dance Exchange Association, produced by Watford Palace Theatre
- ***Watford Jazz Junction Festival Gala Show 2024 featuring Ray Gelato & The Giants and supported by Xantoné Blacq*** – produced by Watford Jazz Junction
- ***Rise and Shine*** by Rise Studios Ltd
- ***London Summer Funk*** by Shiamak Davar International Ltd
- ***The Purcell School: A Night of Jazz and Soul*** by The Purcell School of Music
- ***Andalucia*** by The Daniel Martinez Flamenco Company Ltd
- ***NHS Star of Herts 2024*** by West Hertfordshire Teaching Hospitals NHS Trusts



- ***Our House: The Madness Musical*** by Tim Firth with music and lyrics by Madness and produced by Cassio in arrangement with Jospeh Weinberger Ltd
- ***Orpheus In The Underworld*** an operetta by Jacques Offenbach and a libretto by Rory Bremner. Produced by Abbots Langley Gilbert and Sullivan Society
- ***The WBC Audentior Awards 2025*** in partnership with Watford Borough Council
- ***TJX: Lip Sync for Comic Relief*** by TJX Europe

*The activities described above demonstrate that public benefit is being provided by the Charity*

### Financial Review

The Statement of Financial Activities shows a deficit of £166,595 (2024 - deficit of £144,439) for the financial year. This comprises a deficit before transfers on unrestricted funds of £211,979 (2024 – surplus of £58,764) and a surplus on restricted funds of £45,384 (2024 - deficit of £203,203). The Directors note that this deficit is declared after recognising depreciation charges of £274,338 (being £51,757 applied to unrestricted funds, and £222,581 applied to restricted funds).

### Financial Position in the Context of Ongoing Commitments and Obligations

The Balance Sheet shows net assets of £5,030,682 at 31 March 2025 (2024 - £5,197,276). As at the same date, Revenue subsidy amounting to £191,028 and £211,081 for the following 12-month period has been confirmed by Watford Borough Council and Arts Council England respectively. An agreed budget for the year to 31 March 2026 has been approved by the Board of Directors.

### Subsidiary Undertakings

The Charitable Company's wholly owned subsidiaries, The Palace Theatre Watford Bar Limited and The Palace Theatre Watford Productions Limited, remained dormant throughout the year.

### Investment Policy

The Charitable Company holds surplus cash on a deposit account to receive a rate of interest commensurate with an appropriate level of security, whilst not restricting access for operational purposes or payment of box office to touring companies and hires. Where sufficient surplus cash remains available after due consideration for longer term liabilities, the Charitable Company utilises other relatively low risk financial products (such as Fixed Rate Bonds) to maximise income.

### Parent Charitable Company's Reserves Policy

The Trustees have reviewed the Charitable Company's needs for reserves in line with the guidance issued by the Charity Commission and have agreed the following reserves policy: the target level of unrestricted reserves is based on 10% of typical box office income and six weeks running costs. At the last calculation, the target is to hold free reserves of £250,000. The unrestricted general reserve (see page 14) stood at £250,335 on 31 March 2025 (2024 - £250,312). This policy is reviewed annually by the Trustees.

### Risk Assessment

The Trustees have examined and prioritised the most critical risks to the Charitable Company and, as a result, are confident that they have in place sufficient accountability and focussed action to protect the objectives of the Charitable Company. A risk register has been produced and is reviewed by the Leadership Team and updated by the Executive Director every two months for consideration by the Board. The major risk identified concerns the funding of the Charitable Company. Arts Council England and Watford Borough Council have the right under Service Level Agreements to withdraw funding and/or request repayment of funds should those funds be applied to purposes other than the stated charitable objectives. The Charitable Company has put in place a range of mitigatory measures. The Board operates a separate governance committee, with its own Chair, to maintain a transparent and objective overview.

**Statement of Trustees' Responsibilities**

The Trustees (who are also Directors of The Palace Theatre Watford for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and Charity law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have elected to prepare the Financial Statements in accordance with the Charities' Statement of Recommended Practice, Accounting and Reporting by Charities issued in March 2015 and United Kingdom Financial Reporting and Accounting Standards. Under Company and Charity law the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure of the Charitable Company (and the Group) for that period. In preparing these Financial Statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities' SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 Company will continue in business.

The Trustees are responsible for keeping proper 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 the Group) and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the Company's Directors, we confirm that:

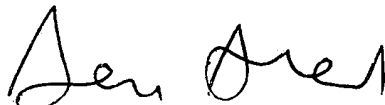
- so far as we are aware, there is no relevant audit information of which the Company's auditors are unaware; and

as the Directors of the Company, we have taken all steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditors**

PKF Littlejohn LLP are appointed as auditors to the Charitable Company and have indicated their willingness to continue in office.

This report was approved by order of the Board of Directors and signed on its behalf by:



**Aaqil Ahmed**  
Chair

Date: 24 November 2025

**Independent Auditors' Report to the Members of The Palace Theatre Watford Limited****Opinion**

We have audited the financial statements of The Palace Theatre Watford (the 'charitable company') for the year ended 31 March 2025 which comprise the *Statement of Financial Activities*, the *Balance Sheet*, the *Statement of Cashflows* 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 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 Annual Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report of the Trustees. 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.

**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 Annual Report of the Trustees (which includes the Directors' report) prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Annual Report of the Trustees (which includes 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report of the Trustees.

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

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

**Responsibilities of trustees**

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

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

- We obtained an understanding of the charitable company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research and application of cumulative audit knowledge and experience.

- We determined the principal laws and regulations relevant to the charitable company in this regard to be those arising from the Companies Act 2006, Charities Act 2011, Charities (Accounts and Reports) Regulations 2008, Financial Reporting Standard 102 and the Charities SORP.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the charitable company with those laws and regulations. These procedures included, but were not limited to enquiries of Trustees, review of minutes and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was a potential for management bias in the recognition of revenue. We addressed this through reviewing revenue in the year for evidence of entitlement and around the year end to ensure accounted for in the correct period.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.



**Alastair Duke (Senior Statutory Auditor)**

**For and on behalf of PKF Littlejohn LLP**

**Statutory Auditor**

10 December 2025

15 Westferry Circus

Canary Wharf

London E14 4HD

**THE PALACE THEATRE WATFORD LIMITED**
**STATEMENT OF FINANCIAL ACTIVITIES  
YEAR ENDED 31 MARCH 2025**

	Note	2025 Unrestricted funds £	2025 Restricted funds £	2025 Total funds £	2024 Total funds £
<b>Incoming Resources</b>					
Grants receivable and fees	4	1,016,199	250,000	1,266,199	1,047,075
Donations and gifts		20,267	941	21,208	18,185
Bank interest		21,925	-	21,925	20,489
Ancillary trading activities		168,849	-	168,849	138,000
		<u>1,227,240</u>	<u>250,941</u>	<u>1,478,181</u>	<u>1,223,749</u>
<b>Charitable Activities</b>					
Production	4	1,380,595	-	1,380,595	1,048,434
Participation	4	32,474	-	32,474	20,723
Other	4	386,821	21,059	407,880	199,544
		<u>1,799,890</u>	<u>21,059</u>	<u>1,820,949</u>	<u>1,268,701</u>
		<u>3,027,130</u>	<u>272,000</u>	<u>3,299,130</u>	<u>2,492,450</u>
<b>Total Income</b>					
<b>Expenditure on:</b>					
Raising funds		791	335	1,126	381
Charitable Activities					
Production	6	3,081,118	211,451	3,292,569	2,532,430
Participation	6	157,200	14,830	172,030	104,078
		<u>3,239,109</u>	<u>226,616</u>	<u>3,465,725</u>	<u>2,636,889</u>
<b>Total Expenditure</b>					
<b>Net Expenditure</b>	3	(211,979)	45,384	(166,595)	(144,439)
Transfers between funds	13	42,707	(42,707)	-	-
Total funds brought forward		<u>955,093</u>	<u>4,242,183</u>	<u>5,197,276</u>	<u>5,341,715</u>
<b>Total funds carried forward</b>		<u>785,821</u>	<u>4,244,860</u>	<u>5,030,681</u>	<u>5,197,276</u>

All income and expenditure derives from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

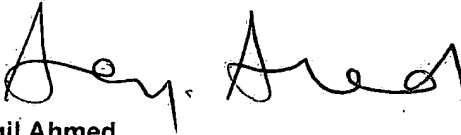
The Accounting Policies and Notes on pages 16 to 25 form part of these Financial Statements.

**THE PALACE THEATRE WATFORD LIMITED**  
(Company Registration number 3218719)

**BALANCE SHEET**  
**YEAR ENDED 31 MARCH 2025**

	Note	2025 £	2024 £
<b>Fixed Assets</b>			
Tangible assets	7	4,119,940	4,169,622
Investments	8	200	200
		<hr/>	<hr/>
		4,120,140	4,169,822
		<hr/>	<hr/>
<b>Current Assets</b>			
Stocks	9	9,577	6,114
Debtors	10	624,618	609,154
Cash at bank and in hand		571,796	586,413
Short term investments		150,000	300,000
		<hr/>	<hr/>
		1,355,991	1,501,681
<b>Creditors:</b> amounts falling due within one year	11	(445,450)	(474,227)
		<hr/>	<hr/>
<b>Net Current Assets</b>		910,541	1,027,454
		<hr/>	<hr/>
<b>Net Assets</b>		5,030,681	5,197,276
		<hr/>	<hr/>
<b>Income Funds</b>			
<b>Restricted Funds</b>	13	4,244,860	4,242,183
<b>Unrestricted Funds</b>	12		
General		250,335	250,312
Designated		535,486	704,781
		<hr/>	<hr/>
<b>Total Unrestricted Funds</b>		785,821	955,093
		<hr/>	<hr/>
<b>Total Charity Funds</b>		5,030,681	5,197,276
		<hr/>	<hr/>

Approved by the Board on 24 November 2025 and signed on its behalf by:

  
**Aaqil Ahmed**  
Chair

The Accounting Policies and Notes on pages 16 to 25 form part of these Financial Statements.

**THE PALACE THEATRE WATFORD LIMITED**
**STATEMENT OF CASHFLOWS  
YEAR ENDED 31 MARCH 2025**

	<b>2025</b> £	2024 £
<b>Cash flow provided from operating activities</b>	38,114	59,750
<b>Cash flow from investing activities</b>		
Payments to acquire tangible fixed assets	(224,656)	(66,184)
Interest receivable	21,925	20,489
<b>Net cash flow used in investing activities</b>	(202,731)	(45,695)
<b>Change in cash and cash equivalents in the year</b>	(164,617)	14,055
<b>Cash and cash equivalents at start of year</b>	886,413	872,358
<b>Cash and cash equivalents at end of year</b>	721,796	886,413
<b>Reconciliation of net expenditure to net cash flow from operating activities</b>		
Net expenditure for year	(166,595)	(144,439)
Interest receivable	(21,925)	(20,489)
Depreciation of tangible fixed assets	274,338	263,397
Increase in stocks	(3,463)	(924)
Increase in debtors	(15,464)	(154,619)
(Decrease)/Increase in creditors	(28,777)	116,824
<b>Net cash flow provided from operating activities</b>	38,114	59,750
<b>Cash and cash equivalents consists of:</b>		
Cash at bank and in hand	571,796	586,413
Short term investments	150,000	300,000
<b>Cash and cash equivalents</b>	721,796	886,413

The Accounting Policies and Notes on pages 16 to 25 form part of these Financial Statements.



## 1. General information and basis of preparation

The Palace Theatre Watford Limited is a company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are set out in the Report of the Trustees.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

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.

### Going Concern

It is the opinion of the Directors/Trustees that the use of the going concern basis of accounting is appropriate because:

- there are no material uncertainties relating to events or conditions that may cast significant doubt about the ability of the Charitable Company to continue as a going concern;
- there is reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future, considered to be at least twelve months from the date of approval of the financial statements.

## 2. Accounting Policies

### 2.1 Funds

#### Unrestricted Designated Funds

Refurbishment Depreciation Fund - costs related to small scale repairs and renovations, and the associated depreciation.

Future Production and Artistic projects - to hold grant and other monies for use on future productions and artistic projects.

Building and visitor experience - to hold grant and other monies to cover building contingency expenses and for physical improvements to enhance the visitor experience.

Lighting Desk Depreciation Fund - the depreciation cost of the lighting desk acquired in November 2012.

Resilience Projects Fund - to hold grant and other monies to fund one-off mid/long term impact projects related to the Charitable Company's strategic resilience.

Bar Refit Depreciation Fund - costs related to the renovation of the Bar / Cafe areas, and the associated depreciation.

VAT Project Fund - fees and other expenses in relation to a review of the Theatre's historic VAT treatment, and subsequent claim for a refund from HMRC.

**2. Accounting Policies (continued)****Restricted Funds**

Theatre refurbishment fund - funds received/receivable specifically for the cost of the refurbishment of the Theatre.

Catalyst Arts Fund - funds received/receivable specifically in relation to the Arts Council England's Catalyst Arts Capacity building and match funding scheme, to support organisations in building their fundraising capacity and capability over a three-year period.

ACE Capital Fund - funding towards capital works to enhance rehearsal facilities, to improve energy efficiency and to replace essential specialist equipment.

New Writing Fund - funding towards investment in writing new work.

Arts Council Cultural Recovery Fund – the government's Culture Recovery Fund, supporting cultural organisations through the impact of the Covid-19 pandemic.

Garfield Weston Foundation - grant received from the Weston Culture Fund to support our Take Part youth and community programmes. Amounts are drawn down against the fund and transferred to the general fund when expenditure is incurred.

Restoration Levy Fund - monies charged per Box Office transaction, specifically towards the refurbishment, improvement, and upkeep of the theatre.

Herts Foundation Fund – grant received from the Hertfordshire Community Foundation to support the WPT and OneYMCA Partnership Youth Theatres project.

Neighbourhood Grant Fund - Monies received from Watford Borough Council, being for small grants with local neighbourhood impact. Secured specifically for support with decarbonisation efforts actioned during Summer 2025.

Backstage Trust Fund - Charitable trust funding for the improvement of earned income facilities and new spaces (such as the Studios and Cabaret Bar) during Summer 2025.

**Fund Transfers**

Transfers are made between funds as and when the Trustees deem them necessary, within the limits of any restrictions that are in place.

**2.2 Incoming Resources**

Voluntary income including donations, gifts and grants that provide core funding or are of a general nature are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred where the donor has specified that the grant or donation must be used in a future accounting period.

Investment income is recognised on a receivable basis.

Income from charitable activities includes:

- income derived from theatrical productions which is accounted for in the period in which the production closes;
- grant income to support education and youth activities which is recognised where there is entitlement, certainty of receipt and the amount can be reliably measured.

**2.3 Resources Expended**

Expenditure is recognised in the Statement of Financial Activities when a liability is incurred and the following conditions are met:

- The charity has a legal or constructive obligation as a result of a past event;
- It is probable that a transfer of economic benefit will be required to settle the obligation; and
- The amount of obligation can be measured reliably.

**2. Accounting Policies (continued)**

Charitable activities include expenditure associated with the staging of theatrical productions and participation activities. These include both the direct costs and support costs relating to these activities. Expenditure on materials for set, props and costumes are accounted for in the Consolidated Statement of Financial Activities (SOFA) of the period of the production. None of this expenditure is capitalised, as sets are either disposed of, or sold on within the same financial year, or very shortly after the financial year end.

Support costs represent central function costs, governance costs and overheads and have been allocated between the activities of productions and participation using an apportionment percentage calculated by comparing the direct costs attributable to each of those categories in the year.

**2.4 Financial Instruments**

Basic financial assets, including debtors, cash at bank and in hand, and short term investments, are initially recognised at transaction price, 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.

Other financial assets 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 profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**2.4 Tangible Fixed Assets**

Fixed assets (other than those relating to productions - see above) are stated at historical cost. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Plant, equipment and machinery	10% - 25% straight line
Information technology	10% - 33% straight line
Leasehold improvements	2.5% - 20% straight line
Long leasehold property	2.5% straight line

**2.5 Stock**

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

**2.6 Leased assets and obligations**

All operating lease rentals are charged to the SOFA on a straight line basis over the lease term.

**2.7 New Writing Arrangements**

These are advance costs incurred for possible future shows where the Charitable Company commissions a writer to work on a production which may or may not eventually be produced. The costs are written off to the SOFA in the year in which they are incurred.

**2.8 Pensions**

The Charitable Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charitable Company to the fund in respect of the year.

**2.9 Taxation**

The Charitable Company is exempt from Corporation Tax as all of its income is charitable and is applied for charitable purposes. The Charitable Company is registered for Value Added Tax (VAT); irrecoverable VAT (where applicable) is included in the cost of those items to which it relates.

THE PALACE THEATRE WATFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2025

3.	Net Expenditure	Note	2025 £	2024 £
	This is stated after charging:			
	Auditors' remuneration		9,880	9,389
	Depreciation	7	274,338	263,397
	Operating leases - land and buildings		7,268	27,000
			<hr/>	<hr/>
4.	Incoming Resources		2025 £	2024 £
	<b>Grants Receivable and Fees</b>			
	Unrestricted income from:			
	Arts Council England - grant		805,118	805,118
	Service provision fees - Watford Borough Council		211,081	231,957
	Restricted income from:			
	Hertfordshire Foundation Grant		-	10,000
	WBC Neighbourhood Grant		50,000	-
	Backstage Trust Grant		200,000	-
			<hr/>	<hr/>
			1,266,199	1,047,075
			<hr/>	<hr/>
	<b>Incoming Resources from Charitable Activities</b>			
	Production:			
	Box office income - produced		433,873	383,168
	Box office income - co produced		181,592	73,272
	Box office income - presented		427,442	441,958
	Other production income		278,819	71,629
	Film sales		2,754	18,412
	Hire fees income		50,089	52,431
	Front of house sales		6,026	7,564
			<hr/>	<hr/>
			1,380,595	1,048,434
			<hr/>	<hr/>
	Participation:			
	Educational activities		32,474	20,723
			<hr/>	<hr/>
			32,474	20,723
	Other:			
	Tax relief		370,729	162,421
	Sundry income		37,151	37,123
			<hr/>	<hr/>
			407,880	199,544
			<hr/>	<hr/>
	Total income from charitable activities		1,820,949	1,268,701
			<hr/>	<hr/>

Income from grants receivable and fees was £1,266,199 (2024 - £1,047,075) of which £250,000 (2024 - £10,000) was attributable to restricted funds and £1,016,199 (2024 - £1,037,075) was attributable to unrestricted funds.

Income from charitable activities was £1,820,949 (2024 - £1,268,701) of which £21,059 (2024 - £10,869) was attributable to restricted funds and £1,799,890 (2024 - £1,257,832) was attributable to unrestricted funds.

5. Employee Information - Staff Costs	2025 £	2024 £
Establishment salaries	891,315	815,153
Establishment social security costs	88,060	77,436
Establishment pension costs	17,914	16,800
Non-establishment salaries	419,134	278,851
Non-establishment social security costs	10,868	6,337
Non-establishment pension costs	5,294	1,810
	<hr/>	<hr/>
	1,432,585	1,196,387
	<hr/>	<hr/>

The number of employees during the period who earned over £60,000 in the year was as follows:

	Number of employees	
	2025	2024
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-

The total amount of employee benefits received by key management personnel, considered to be the Executive Team, during the year was £201,672 (2024 - £185,630).

Total redundancy / termination payments of £Nil (2024 - £13,704) were made. No payments were outstanding at the year end.

#### Average Monthly Number of Employees during the Year

	Part-time Casual/seasonal	
	2025	2024
Establishment	28	26
Non Establishment	31	26
	<hr/>	<hr/>

#### Transactions with Directors

The Directors of the Charitable Company received no remuneration or reimbursement of expenses in the year (2024 - £nil).

#### 6. Total Resources Expended

##### 6.1 Analysis of Charitable Expenditure

	Direct costs £	Support costs £	Total 2025 £	Total 2024 £
Production	1,527,327	1,765,242	3,292,569	2,532,430
Participation	79,122	92,908	172,030	104,078
	<hr/>	<hr/>	<hr/>	<hr/>
	1,606,449	1,858,150	3,464,599	2,636,508
	<hr/>	<hr/>	<hr/>	<hr/>

**6. Total Resources Expended (continued)**

Charitable expenditure was £3,464,599 (2024 - £2,636,508) of which £226,281 (2024 - £224,977) was attributable to restricted funds and £3,238,318 (2024 - £2,411,531) was attributable to unrestricted funds.

**6.2 Analysis of Support Costs**

	Charitable Activities £	Governance costs £	Total 2025 £	Total 2024 £
Wages	1,036,354	-	1,036,354	922,434
Establishment	273,910	-	273,910	235,232
Administration	153,872	-	153,872	132,954
Marketing and box office	102,517	-	102,517	84,291
Depreciation	274,338	-	274,338	263,397
Bank charges and interest	6,496	-	6,496	3,790
Legal and accountancy fees	-	690	690	813
Board	-	93	93	144
Audit	-	9,880	9,880	9,389
	<u>1,847,487</u>	<u>10,663</u>	<u>1,858,150</u>	<u>1,652,444</u>

Support costs are allocated as shown in the table above and then further apportioned between the two charitable activities undertaken.

Support costs are allocated on a basis consistent with the use of resources.

**7. Tangible Assets**

	Leasehold improvement projects £	Equipment £	Plant and machinery £	Long leasehold property £	Total £
<b>Cost</b>					
At 1 April 2024	538,226	863,677	349,984	7,819,178	9,571,065
Additions	55,792	159,629	9,235	-	224,656
	<u>594,018</u>	<u>1,023,306</u>	<u>359,219</u>	<u>7,819,178</u>	<u>9,795,721</u>
<b>Depreciation</b>					
At 1 April 2024	465,112	776,969	349,052	3,810,310	5,401,443
Charge for the year	22,422	51,731	4,706	195,479	274,338
	<u>487,534</u>	<u>828,700</u>	<u>353,758</u>	<u>4,005,789</u>	<u>5,675,781</u>
<b>Net Book Value</b>					
At 31 March 2025	<u>106,484</u>	<u>194,606</u>	<u>5,461</u>	<u>3,813,389</u>	<u>4,119,940</u>
At 31 March 2024	<u>73,114</u>	<u>86,708</u>	<u>935</u>	<u>4,008,865</u>	<u>4,169,622</u>

<b>8. Investment – subsidiary trading companies</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
<b>Shares in group undertakings:</b>		
Cost at 1 April and at 31 March	200	200
	<u>          </u>	<u>          </u>

The Charitable Company owns 100% of the ordinary share capital of The Palace Theatre Watford Productions Limited, which is incorporated in England and Wales. The subsidiary company was dormant during the year.

The Charitable Company owns 100% of the ordinary share capital of The Palace Theatre Watford Bar Limited, which is incorporated in England and Wales. The Charitable Company has 100% control over this subsidiary company. This subsidiary company has been dormant from 1 April 2015, but previously operated to provide working capital finance for the charitable parent Charitable Company by covenanting distributable profits to The Palace Theatre Watford Limited. The subsidiary company operated catering facilities at the theatre.

<b>9. Stocks</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Stocks	9,577	6,114
	<u>          </u>	<u>          </u>

<b>10. Debtors</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Trade debtors	46,726	38,592
Prepayments and accrued income	577,892	570,562
	<u>          </u>	<u>          </u>
	624,618	609,154
	<u>          </u>	<u>          </u>

<b>11. Creditors: Amounts falling due within one-year</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Trade creditors	50,268	43,520
Amounts due to subsidiary companies	200	200
Social security and other taxes	31,465	25,729
Other creditors	47,848	55,541
Accruals and deferred income	315,669	349,237
	<u>          </u>	<u>          </u>
	445,450	474,227
	<u>          </u>	<u>          </u>

Included in accruals and deferred income is deferred income of £235,042 (2024 - £225,576) which comprises advance ticket sales. £225,576 was released to the SOFA in the year to 31 March 2025 and £235,042 will be released to the SOFA in the year to 31 March 2026.

Included in other creditors are defined contribution pension liabilities of £10,004 (2024 - £3,941) all of which has been funded by unrestricted funds.

Amounts due to subsidiary companies are interest-free, unsecured and repayable on demand.

**12. Unrestricted Designated Funds**

The income funds of the Charitable Company include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes:

	Balance at 1 April 2024 £	Incoming resources £	Outgoing expenditure £	Transfers £	Balance at 31 March 2025 £
<b>General Funds</b>	<b>250,312</b>	<b>2,983,390</b>	<b>(3,228,217)</b>	<b>244,850</b>	<b>250,335</b>
<b>Designated Funds</b>					
Refurbishment Fund	4,494	-	(1,123)	-	3,371
Future Production & Artistic Projects	190,592	43,740	-	(40,000)	194,332
Building and Visitor Experience	271,685	-	(9,200)	(643)	261,842
Resilience Project Fund	220,755	-	-	(161,500)	59,255
VAT Project Fund	17,255	-	(569)	-	16,686
	<u>704,781</u>	<u>43,740</u>	<u>(10,892)</u>	<u>(202,143)</u>	<u>535,486</u>
<b>Unrestricted Funds</b>	<b>955,093</b>	<b>3,027,130</b>	<b>(3,239,109)</b>	<b>42,707</b>	<b>785,821</b>

	Balance at 1 April 2023 £	Incoming resources £	Outgoing expenditure £	Transfers £	Balance at 31 March 2024 £
<b>General Funds</b>	<b>250,666</b>	<b>2,449,352</b>	<b>(2,405,056)</b>	<b>(44,650)</b>	<b>250,312</b>
<b>Designated Funds</b>					
Refurbishment Fund	5,620	-	(1,126)	-	4,494
Future Production & Artistic Projects	169,649	20,943	-	-	190,592
Building and Visitor Experience	245,814	-	(4,629)	30,500	271,685
Resilience Project Fund	190,755	-	-	30,000	220,755
VAT Project Fund	17,975	-	(720)	-	17,255
	<u>629,813</u>	<u>20,943</u>	<u>(6,475)</u>	<u>60,500</u>	<u>704,781</u>
<b>Unrestricted Funds</b>	<b>880,479</b>	<b>2,470,295</b>	<b>(2,411,531)</b>	<b>15,850</b>	<b>955,093</b>

A description of the designated funds can be found at note 2.1.



**13. Restricted Fund**

The income funds of the Charitable Company include the following restricted funds where the donor has specified the purpose for which the fund is to be used:

	Balance at 1 April 2024 £	Incoming resources £	Outgoing expenditure £	Transfers £	Balance at 31 March 2025 £
Theatre Refurbishment Fund	4,008,866	-	(195,480)	-	3,813,386
Catalyst Arts Fund	8,387	942	(335)	-	8,994
Arts Council England Capital Fund	8,581	-	(610)	-	7,971
New Writing Fund	478	-	-	-	478
Arts Council Cultural Recovery Fund	73,119	-	(21,139)	643	52,623
Garfield Weston Foundation	121,883	-	(5,352)	(37,050)	79,481
Restoration Levy Fund	10,869	21,058	-	-	31,927
Herts Foundation Fund	10,000	-	(3,700)	(6,300)	-
Neighbourhood Grant Fund	-	50,000	-	-	50,000
Backstage Trust Fund	-	200,000	-	-	200,000
	<u>4,242,183</u>	<u>272,000</u>	<u>(226,616)</u>	<u>(42,707)</u>	<u>4,244,860</u>

	Balance at 1 April 2023 £	Incoming resources £	Outgoing expenditure £	Transfers £	Balance at 31 March 2024 £
Theatre Refurbishment Fund	4,204,347	-	(195,481)	-	4,008,866
Catalyst Arts Fund	10,780	1,286	(379)	(3,300)	8,387
Arts Council England Capital Fund	22,082	-	(13,501)	-	8,581
New Writing Fund	478	-	-	-	478
Arts Council Cultural Recovery Fund	83,764	-	(10,645)	-	73,119
Garfield Weston Foundation	139,785	-	(5,352)	(12,550)	121,883
Restoration Levy Fund	-	10,869	-	-	10,869
Herts Foundation Fund	-	10,000	-	-	10,000
	<u>4,461,236</u>	<u>22,155</u>	<u>(225,358)</u>	<u>(15,850)</u>	<u>4,242,183</u>

A description of the restricted funds can be found at note 2.1.

## 14. Allocation of Net Assets between Funds

	General fund	Designated fund	Restricted fund	Total 2025
	£	£	£	£
Tangible fixed assets	145,732	109,018	3,865,190	4,119,940
Investments	200	-	-	200
Current assets	549,853	426,468	379,670	1,355,991
Current liabilities	(445,450)	-	-	(445,450)
Net assets	250,335	535,486	4,244,860	5,030,681

	General fund	Designated fund	Restricted fund	Total 2024
	£	£	£	£
Tangible fixed assets	102,118	66,052	4,001,452	4,169,622
Investments	200	-	-	200
Current assets	622,221	638,729	240,731	1,501,681
Current liabilities	(474,227)	-	-	(474,227)
Net assets	250,312	704,781	4,242,183	5,197,276

## 15. Capital Commitments

At 31 March 2025, the Charity had capital commitments of £296,000 relating to the refurbishment of its main premises, which were contracted for but not provided for in the financial statements (2024 – none).

## 16. Related Party Relationships and Transactions

During the year, the following Trustees have been connected with organisations that have made payments to the Charitable Company:

Councillor Agnieszka Dychton and Marilyn Devonish – Watford Borough Council – Service provision fees of £211,081 (2024: £231,957) and further funding of £50,000 (2024 - £nil).