

Company number: 7091161

Charity number: 1137223

# The Park Theatre

Report and financial statements

For the year ended 31 March 2021

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**For the year ended 31 March 2021**

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# **The Park Theatre**

## **Trustees' annual report**

**For the year ended 31 March 2021**

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**Company number** 7091161 – incorporated in the United Kingdom

**Charity number** 1137223 – registered in England and Wales

**Registered office and operational address** Park Theatre  
11 Clifton Terrace  
Finsbury Park  
London  
N4 3JP

**The Park Theatre Ltd is also known as Park Theatre**

**Trustees** Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Nigel Pantling [Chair]  
Professor Kurt Barling (appointed 19 January 2021)  
Hedda Beeby (appointed 19 January 2021)  
Andrew Cleland-Bogle  
Nick Frankfort (resigned 16 March 2021)  
Robert Hingley  
Mars Lord  
Sir Frank McLoughlin (resigned 18 January 2021)  
Bharat Mehta  
Rufus Olins  
Jo Parker  
Victoria Phillips [Vice chair]  
Julia Tyrrell (appointed 19 January 2021)

**Key management personnel** Jez Bond, Artistic Director & Joint CEO  
Rachael Williams, Executive Director & Joint CEO

**Founding Benefactor** Jeremy Bond (1939-2020)

**Bankers** CAF Bank  
Charities Aid Foundation  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4JQ

<b>Auditor</b>	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane LONDON EC1Y 0TL
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The Trustees present their report and the audited financial statements for the year ended 31 March 2021.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Trustees ensure the charity's activities remained focused on its stated objectives.

## **Chair's Report**

The financial year 2020/21 has been a sombre one for Park Theatre. Our doors remained shut throughout the twelve months because of the Covid-19 pandemic, and we did not reopen on a socially distanced basis until well into the following summer. Even at the date of these accounts, we continue to face considerable uncertainty about the financial impact of the virus on our ability to show theatre, and on the audience's appetite to come to see it.

The impact of the pandemic on our income from rental, box office and catering was immediate and devastating. And as a quite new charity, Park Theatre had not yet built sufficient financial reserves to make good this shortfall. Early in the financial year, the Board had to consider whether the theatre was still a going concern or whether it should be put into liquidation, with the loss of all that had been achieved since our opening in 2014.

Permanent closure was avoided by help from three sources. First, the Government's furlough scheme enabled us to keep our talented staff team together, in our employment, and ready for reopening, at very limited cost. Secondly, the Arts Council of England awarded us four grants totalling some £535,000 which helped us to meet our fixed expenditure, to introduce new ways of reaching our audience and to plan for the future. Thirdly, our supporters responded outstandingly to direct fund-raising appeals, donating a total of over £300k plus gift aid. Without the generous help from all these sources, Park Theatre would have been lost. We are enormously grateful for all the support we have received.

There have been other bright spots during closure. We have learnt how to continue much of our creative learning activity on-line, which has proved of great value to the participants, particularly those who take part in our project for people living with dementia and their carers, for whom the restrictions of the pandemic were especially challenging. And we have taken the opportunity to repair and improve the fabric of the theatre, to reassess aspects of our strategic vision for its future, and to think afresh about our staffing needs.

Overall, we are emerging from the pandemic in reasonably good shape financially, with excitement about the future direction of the theatre and with a positive spirit among staff and trustees. We have been helped here by a high degree of staff continuity. The senior team has remained stable with the exception of the loss of our Associate Artistic Director Melli Marie, the original driving force with Jez Bond in bringing Park Theatre into being: Melli will remain our Creative Director Emeritus. At the Board, two long standing Trustees, Nick Frankfort and Sir Frank McLoughlin, have retired and we shall greatly miss their contribution, but the Board has been strengthened by the addition of Kurt Barling, Hedda Beeby, and Julia Tyrrell.

Finally, it was with great sadness that we learned during the year of the death of Jeremy Bond, our founding benefactor and great supporter. Jeremy's generosity and kindness, his love of theatre in general and Park Theatre in particular, and his unfailing goodwill and support for our endeavours have been constant features of my time as the charity's chair. We shall miss him.

**Nigel Pantling**  
**Chair of Trustees**

## Objectives and activities

Park Theatre's charitable objectives are to promote, maintain, improve and advance education of the public in the arts.

Our principal objective is to present high-quality, affordable drama for everyone – and, through the work on stage, our creative learning programmes and the provision of a welcoming neighbourhood hub, to provide artistic opportunities, enhance lives and increase community cohesion.

We aspire to present world-class theatre productions, collaborating with top-quality talent, programming a wide variety of plays, from classics through to new writing, distinguished by strong narrative and powerful emotional content. We aim to produce both in-house and in partnership with the best of existing and emerging producers, for whom we endeavour to provide an outstanding level of support.

By creating a welcome and nurturing environment, we want Park Theatre to be accessible to everyone within our diverse community and beyond and, through affordable ticket pricing and outreach programmes, we aim to engage with those who have little or no experience of theatre. We aim to be a beacon for all and an ambassador for theatre worldwide.

In normal years (i.e. when not affected by the Covid-19 pandemic), Park Theatre has four key activities which generate income and/or deliver benefit to our beneficiaries:

- External productions: these deliver rental income. Park Theatre receives a fee from the producer who rents our auditorium for a theatre production along with certain support services, usually for four weeks (Park90) or five weeks (Park200). The producer takes the box office ticketing income.
- In-house productions: Park Theatre provides some or all of the funding needed to deliver a production and receives some or all of the box office ticket income that is generated.
- Creative learning and artist development: these are classes, workshops, summer schools and other initiatives provided by Park Theatre, which are charged for, sometimes at a subsidised rate, or free.
- Provision of space: Park Theatre rents out its facilities for rehearsals, workshops, meetings and events, sometimes at preferential rates for artists and local community groups.

These activities cannot be supported entirely by the income they produce, so we subsidise them by a programme of development activities.

In normal years (i.e. when not affected by the Covid-19 pandemic), we measure the impact and success of these activities as follows:

External productions:

- Financially, by measuring how far we achieve rental income for the theatre across the year, and how far box office income is likely to have enabled the producer at least to recoup costs
- Artistically, by monitoring ticket sales through box office data, critics' reviews and other press comment, social media activity and the future life of the production outside the building (for example, on tour or with a transfer to the West End)

**In-house productions:**

- Financially, by measuring ticket income through box office data and assessing the extent to which each production generates a surplus or loss, taking account of rent foregone
- Artistically, by monitoring ticket sales through box office data, critics' reviews and other press comment, social media activity and the future life of the production outside the building (for example on tour or with a transfer to the West End).

**Creative learning and artist development:**

- Financially, by measuring income received and the extent to which it meets the cost of the activities undertaken
- Artistically, by measuring the number of participants and through feedback forms.

**Provision of space:**

- By measuring income received, the extent of subsidy offered and which companies this subsidy is offered to as related to the aims stated in our business plan, particularly regarding our ambition to present a diverse range of productions.

## **Achievements and performance**

### **i. Artistic**

Like all other theatres across the country, Park Theatre closed its doors in March 2020 due to the outbreak of Covid-19. Whilst we were not able to present any productions in our venue during the course of the year, we kept in close contact with producers whose shows were cancelled and, as a result, have managed to reschedule the majority of this work in our reopening seasons in 21/22. We commissioned writer Tori Allen-Martin to create a new hybrid piece, part digital and part live performance, which became our reopening production in August 2021. We also used the period of closure to interrogate our artistic strategy for the future, including ideas for a new financial model in Park90, our smaller space, and involving a newly appointed team of readers and viewers in our programming process, which came into effect in August 2021.

### **ii. Creative learning**

We were very pleased to be able to offer a wide ranging creative learning programme online while the theatre remained closed. Throughout the year, we created digital versions of our regular classes. Our two Reminiscence classes were streamed both to individual participants and into care homes, which in turn enabled a larger number of people to engage with them as the ability to physically come to the theatre was not a prerequisite for participation. Our classes for young people from 4 up to 18 continued online, as did our adult groups.

We also offered a range of new online retreats focusing on specific aspects of the creation process, for example, creating radio drama, writing for stage and creating a self-tape. These were hugely popular and may be something that we offer again, either in person or online, in future years.

### **iii. Fundraising**

The generosity of our supporters, combined with government initiatives to support the economy and the arts sector during Covid-19 enabled the theatre to stay afloat during this unprecedented year. In April 2020, as the theatre closed its doors and prior to government support being announced, a fundraising campaign to our high-level donors raised around £300k, enabling us to continue trading. As well as making full use of the furlough scheme throughout 2020, we mounted an online fundraising campaign that has to date raised over £80k. We applied to the Arts Council's Emergency Fund in May 2020 and were awarded the maximum grant of £35k in June 2020 and, following this, we successfully applied to Round 1 of the Cultural Recovery Fund and were awarded £250k, which allowed us to keep reserves at a healthy level throughout the financial year. After year end, we were also successful in applying to Round 2 of this fund and were awarded another £125k in funding to support our reopening in August 2021.

We have used the period of closure to make applications to a number of trusts and foundations. We were fortunate to receive gifts from both individuals and the Mercers' Trust, the National Lottery Community Foundation and the Garfield Weston Foundation in support of our creative learning programme, and we are grateful to the City Bridge Trust, who fund our access programme, for allowing us to lengthen the grant period to ensure that all activity could be delivered once the theatre reopened.

## **Beneficiaries of our services**

The Trustees have referred to the Charity Commission's guidance on public benefit when reviewing the Charity's aims and objectives and in planning its future activities. In particular, the Trustees regularly consider how planned activities will contribute to the Charity's aims and objectives.

Park Theatre's Creative Learning initiatives use drama to enrich lives and address confidence building, bullying, social exclusion, peer pressure and identity. Our reach extends from the youngest to the oldest members of the community: from parents and babies, to older people with dementia. All programmes offered throughout the 2020/21 year were affordably priced and, due to the online setting, we were able to reach new participants in a variety of locations.

## **Financial review**

Total income for 2020/21 was £1,564,432, compared with £2,153,922 the previous year. Expenditure in 2020/21 was £1,186,270, compared with £2,051,887 the previous year. Overall, the Theatre made a surplus for the year of £378,162, compared to a surplus on an equivalent basis of £102,035 in 2019/20. The surplus on unrestricted and undesignated funds was £442,346, compared with a surplus of £178,075 in 2019/20.

This year's surplus on unrestricted and undesignated funds was calculated after a depreciation charge of £17,356, which covers the depreciation of the theatre's Fixtures and Fittings and Office Equipment, which the theatre will need to replace in due course.

For technical accounting reasons, we are required to include a further depreciation charge of £79,184 which relates to the theatre property and other assets which, under the terms of our lease, it is the freeholder's responsibility to replace; this appears in Designated Funds on the Statement of Financial Activities, and is the only item to be included in this column. The Board considers it unlikely that, in practice, the theatre would need to make a material financial contribution to the replacement of these assets.



Income from core charitable activities, which this year only comprised education classes, was £61,218, compared to £983,630 the previous year; this is due to the theatre's closure and the consequent lack of any rental or box office income.

Total fundraised income this year was £1,494,257; this was up from £283,833 the previous year, due to the exceptional generosity of our supporters, money received from the Coronavirus Job Retention Scheme and the very welcome support from the Arts Council during Covid-19.

Total income was therefore £1,564,432 compared with £2,153,922 the previous year.

There was no activity through either Park Theatre Cafe Bar or the Production Company this year.

## **Reserves**

The Board acknowledges the need to build a healthy level of unrestricted cash reserves to protect the theatre against the unexpected. In previous years, Trustees have set a initial goal of securing underlying free reserves (as described below) of approximately £200,000. During this unprecedented financial year, the Trustees have focused on ensuring that the amount of money needed to close the theatre solvently (should that ever be necessary) is ring-fenced at all times; this figure currently stands at £133,517. This will remain our base level for underlying free reserves, and in the coming years we will look to build upon it to reach £200,000.

As at 31 March 2021, unrestricted free reserves (equivalent to net current and unrestricted assets i.e. total unrestricted funds less fixed assets and stock) were £880,279, an increase of £437,050 on the previous year-end position (£443,229). However, a year-end figure does not reflect the working capital movements that take place during the year and, in estimating free reserves, the Board must also take into account normal fluctuations in operating cash flows and known liabilities. The Board estimates that at the year end the underlying free reserves of the charity after taking these factors into account to be in the order of £250,000, including an amount of £133,517 ring-fenced to cover the estimated cost of closing the theatre solvently, if the need arose (as described above).

Strengthening free reserves continues to be a high priority for the Board. As we emerge from the pandemic, we are planning to mount a significant fundraising event in early 2022 to materially strengthen our reserves for at least the following year, and we are aiming to increase our annual fund-raising target to reduce our structural deficit and make us less dependent upon large scale fundraising events. Anticipating that the fundraising climate is likely to be difficult, we are increasing resource in our fundraising team.

## Principal risks and uncertainties

The Board keeps the theatre's risk assessment under regular review. A detailed review of risk and measures for its mitigation is looked at in detail by the Finance Committee twice per year and brought to the full Board for discussion annually. The three principal areas of risk and the steps being taken to mitigate them are:

### **i. Financial resilience**

The charity has limited reserves to enable it to cope with unexpected financial shocks. Government support and an emergency fundraising appeal has enabled the theatre to navigate the pandemic, but, as we reopen, we must consider the risks of a further wave of Covid-19 which could result in another period of closure or a need to reintroduce capacity restrictions, thus limiting the potential for earned income. Alongside this is uncertainty on the future levels of audience attendance, as many people may remain cautious throughout 2021 and beyond.

The relatively healthy reserves level that has been achieved through the fundraising undertaken throughout the year mitigates this risk for the immediate future. The theatre is currently committed to one in-house production in 21/22, *A Place for We*; the production closed at around 60% of total capacity, which is above our budgeted level of 40%. Any future in-house productions will also be budgeted conservatively to ensure that, if sales are low, the theatre is not put at material risk.

### **ii. Dependence on voluntary income**

The charity depends significantly upon voluntary income to operate: this is inherently unpredictable and the environment for fundraising is currently difficult. We are also conscious of donor fatigue following the extraordinary support that we received from our supporters from March 2020 onwards to keep the theatre open during the pandemic. The addition of a full-time Development Manager, plus the support of the Producer Programmer in generating restricted income for productions, means that we have more resource in this area than ever before and would hope to see income increase over the coming years.

### **iii. Staff capacity**

The theatre has a relatively small staff team who work long hours requiring high levels of personal commitment, and some posts are not supported by deputies. The loss of key staff during the pandemic could therefore have had a disproportionate impact on the stability of the charity. To reduce this risk, the senior management team remained connected to all staff members throughout the pandemic and have implemented a smooth transition back to work, including support from our retained HR consultant and a coaching offer for member of the permanent staff team. Encouragingly, when staff members have moved on this year, they have generally been seen to have done so to develop their careers, which has helped us recruit good-quality replacements, who have brought fresh ideas and new energy.

## Current position and plans for the future

The early part of 2021 saw us utilise the period of closure to undertake some significant building works, including a new, more accessible box office, new signage and a new mezzanine level on the top floor to increase seating capacity in the bar area. In light of challenges faced by the Cafe Bar in the past, we have devised a new catering offer, Park Pizza, which will focus on a limited menu around performance times, and so be more focussed on generating profit for the

theatre's activities. We have installed a new pizza oven in the downstairs bar and the new post of Head of Hospitality will lead this new operation.

The theatre reopened in August 2021, initially focused on Park200 with Park90 reopening in October. We kept a socially distanced seating plan in place for early productions, to allow audiences time to get used to theatre-going after such a long break. A key production in the new season is *A Place for We*, co-produced with Talawa and our first to be presented at full capacity. The production had excellent reviews and, whilst pre-sales were slower than hoped, the production closed with sales of around 60%, which is a good end result in the current climate.

The period of closure has also enabled us to reassess our goals for the coming years. A particular focus is the artistic vision and financial model for Park90, which, as it stands, is a challenging space for visiting producers to make financially viable productions. We are working with a sub-group of the Board on a distinctive new vision for this space, which will require a new financial model, supported in part by development income. We plan to raise funds during 21/22 to enable the implementation of the new vision in 22/23. We also appointed a new, ethnically diverse team of Readers and Viewers in August 2021 to bring new voices and perspectives to the wider programming process, which in turn should help diversify the work that we programme.

## Going concern

The charity's planning process, including financial projections, has taken into account the current economic climate and its potential impact on the various sources of income and planned expenditure, including, in particular, the charity's ability to generate donations, grants and other development income, on which the charity remains substantially dependent.

Because of the current Covid-19 pandemic, the theatre closed in March 2020 and reopened with limited, socially distanced, capacity in August 2021. Park 200 reopened with full capacity in October 2021. Sales have been lower than pre-pandemic, but have been steadily increasing for each production; we have been prudent in our budgeting for in-house shows and our exposure is relatively limited for visiting productions, who pay us rent. Nonetheless, there remain risks both that further periods of closure may be required if Covid-19 cases were to increase and/or that audience numbers may decrease or remain low if people are unwilling to come to the theatre. The theatre therefore remains in a period of significant uncertainty.

As at 31<sup>st</sup> October, 2021, the latest month-end prior to the approval of these accounts, the Theatre had free cash reserves of circa £72k and, in addition, had set aside, in a ring-fenced account, an amount of £153,023 to cover the full estimated costs of winding-up the charity, were that ever to prove necessary.

The Board continues to monitor the theatre's financial position closely, taking into account a range of different scenarios. Whilst every effort has been made to cut costs and preserve cash, the theatre continues to have a net cash outflow in each month. The pressure of this has been somewhat alleviated by the successful fundraising during pandemic, but the theatre remains dependent on continuing to achieve substantial fundraising.

Taking these factors, in particular, into account, the Board considers that:

- the theatre has sufficient resources to cover existing committed expenditure for 12 months following the date of signing these accounts; but
- in order to ensure that it has enough cash to maintain it thereafter, the theatre will be significantly dependent on the success of a large-scale fundraising event or production (such as another run of Whodunnit (Unrehearsed)), as well as on the continuing support of donors.

On the basis of and subject to these considerations:

- the Board has a reasonable expectation that the theatre will have adequate resources to continue in operational existence for at least the 12 month period from the date of approval of the financial statements; and
- there are no material uncertainties surrounding the ability of the theatre to remain a going concern and thus the accounts have been prepared on this basis.

## Structure, governance and management

The Company was incorporated as a company limited by guarantee on 30 November 2009 with a registered number 7091161. The Company was registered with the Charity Commission with effect from 2 August 2010, with registered number 1137223.

The Company was incorporated under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association. Trustees receive no benefit from their role as trustees at the Theatre. They may be reimbursed for expenses (such as travel to board meetings) necessary for them to perform governance duties. Any expenses and extraordinary payments reclaimed from the charity are set out in the notes to the accounts.

There are two subsidiary companies in existence: Park Theatre Cafe Bar Ltd (company number 09492315) and Park Theatre Productions Ltd (company number 09358327). Park Theatre Cafe Bar Ltd was incorporated on 16 March 2015 in order to manage the cafe bar operations. Park Theatre Productions Ltd was incorporated on 17 December 2014 in order to facilitate more commercial productions and to manage the greater risk associated with producing.

## Appointment of trustees

The Board has a strong mix of skills, reflecting the identified needs of the charity. In 2019, we adopted a revised Memorandum and Articles of Association; these new Articles are more suited to our organisation and introduced fixed terms of office for Board members. Board members are now able to serve up to two terms of three years each, and an additional year in exceptional circumstances. Provision was made to avoid the immediate loss of Trustees with more than six years' service.

The Board met formally every two months throughout the year, with informal contact in the intervening months. The Finance Committee met monthly and the Nominations Committee met as required. These meetings enabled the Trustees to oversee the strategy, management and financial management of the theatre. Nigel Pantling continued to be Chair of the Board of Trustees.

## Trustee induction and training

New Trustees are identified through the Board's existing networks, by direct approaches to individuals thought to have the skills and experience required, or by advertising as appropriate. Potential new Trustees meet at least two Board members and one member of the senior management team before their appointment is considered by the full Board.

Newly-appointed Trustees are briefed by a senior staff member to introduce them to the charity, given a tour of the building by the Artistic Director, and are supplied with an induction pack about the charity and its governance.

## Related parties and relationships with other organisations

Trustees are aware of the need to uphold transparency and equality in contractual and business relationships. The Board requires disclosure of relationships between the Trustees or members of staff with contracted actors, production companies or similar agencies. Business contracts that could attract interest from known parties are put out to tender so as not to give preferential treatment. Where a conflict of interest arises affecting a Board member, the individual concerned takes no part in the decision. Any related party transactions are disclosed in note 9.

## Remuneration policy for key management personnel

When the theatre opened it was not possible to pay salaries in line with those paid elsewhere. Our longer-term remuneration policy is to pay salaries in line with comparable organisations and we are now close to achieving that for many roles. Salaries for all staff below Executive level are reviewed by the Executive and any changes authorised by the Finance Committee. Salaries for the Artistic and Executive Directors are reviewed and set by the Nominations Committee.

## Policy for employment of disabled persons

Encouraging diversity and access are key concerns for Park Theatre. We have established an advisory committee including local residents with the aim of identifying ways to diversify our staff, volunteers, performers, backstage crew and audiences, with regard to disability, race and gender. With multi-year funding for our access programme secured from the City Bridge Trust, we offer a range of access performances throughout the year, have evac chairs for the theatre and offer a range of disability awareness training to staff. We also continued to work with Islington Council with regard to offering volunteer or employed position to local residents with learning difficulties.

In 2018, we introduced a Positive Action Policy as part of our recruitment procedures, meaning that any candidate that identified as ethnically diverse or disabled would be guaranteed an interview if they meet the essential requirements of the job specification.

## Employee information

We are deeply grateful as a Board to the staff team, whose hard work, commitment and flair have enabled the theatre to traverse this difficult year.

Artistic Director Jez Bond and Executive Director Rachael have continued to provide strong and cohesive leadership to the theatre as Joint CEOs. They have been well supported by the senior management team, and capable and committed junior staff. During the pandemic, we identified the need to deploy more resource to operations and fundraising and restructured the Development & Producing Assistant position into two new roles: Producer Programmer and Development Manager. The part-time position of Venue & Volunteer Manager was also replaced by a full time position of General Manager.

This year also saw the departure of Associate Artistic Director Melli Marie. Melli co-founded the theatre with Jez Bond in 2013 after several years of preparatory work and has been an essential part of the theatre's development. She initiated and ran the theatre's creative learning programme and created the theatre's first artistic development programme, Script Accelerator, which nurtured many early career artists and producers. She will retain the title of Creative Director Emeritus and our mezzanine has been renamed the Melli Marie Mezzanine in her honour.

We remain grateful to our volunteers, with whom we have remained connected throughout the pandemic. Many of them returned to usher productions once the venue reopened, and quickly got up to speed with new Covid safe operating procedures. We train our volunteers in the relevant aspects of theatre operations, including health and safety, customer services and evacuation procedures, use of radio and basic cashing-up. They do all this without pay or benefits and give their time generously and flexibly. We greatly appreciate their contribution.

## Statement of responsibilities of the trustees

The trustees (who are also directors of Park Theatre for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or 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 in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Trustees' annual report**

**For the year ended 31 March 2021**

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In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2021 was 11 (2020: 10). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

## **Auditor**

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

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 2 December 2021 and signed on their behalf by

Nigel Pantling  
Chair of Trustees

## Opinion

We have audited the financial statements of The Park Theatre (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

## Basis for opinion

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

## Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Park Theatre'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 group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our



## **Independent auditor's report**

**to the members of**

### **The Park Theatre**

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

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

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

## **Matters on which we are required to report by exception**

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

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

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

## **Responsibilities of trustees**

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

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

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

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

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

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

## Capability of the audit in detecting irregularities

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

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

## **Independent auditor's report**

**to the members of**

### **The Park Theatre**

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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: <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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

15 December 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

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

# The Park Theatre

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

For the year ended 31 March 2021

		Unrestricted funds		Restricted funds	2021	Unrestricted funds		Restricted funds	2020
	Note	General £	Designated £	funds £	Total £	General £	Designated £	funds £	Total £
<b>Income from:</b>									
Donations and legacies	2	1,141,587	–	352,670	<b>1,494,257</b>	180,934	–	102,899	283,833
Charitable activities	3	61,218	–	–	<b>61,218</b>	983,630	–	–	983,630
Other trading activities	4	8,957	–	–	<b>8,957</b>	886,459	–	–	886,459
<b>Total income</b>		<b>1,211,762</b>	<b>–</b>	<b>352,670</b>	<b>1,564,432</b>	<b>2,051,023</b>	<b>–</b>	<b>102,899</b>	<b>2,153,922</b>
<b>Expenditure on:</b>									
Raising funds		278,581	–	–	<b>278,581</b>	809,383	–	–	809,383
Charitable activities		490,835	79,184	337,670	<b>907,689</b>	1,063,565	68,165	110,774	1,242,504
<b>Total expenditure</b>	5a	<b>769,416</b>	<b>79,184</b>	<b>337,670</b>	<b>1,186,270</b>	<b>1,872,948</b>	<b>68,165</b>	<b>110,774</b>	<b>2,051,887</b>
<b>Net income / (expenditure) for the year</b>	6	<b>442,346</b>	<b>(79,184)</b>	<b>15,000</b>	<b>378,162</b>	<b>178,075</b>	<b>(68,165)</b>	<b>(7,875)</b>	<b>102,035</b>
Transfers between funds	20	(16,430)	16,430	–	–	–	–	–	–
<b>Net income / (expenditure) and net movement in funds</b>		<b>425,916</b>	<b>(62,754)</b>	<b>15,000</b>	<b>378,162</b>	<b>178,075</b>	<b>(68,165)</b>	<b>(7,875)</b>	<b>102,035</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		501,462	1,463,999	13,375	<b>1,978,836</b>	323,387	1,532,164	21,250	1,876,801
<b>Total funds carried forward</b>		<b>927,378</b>	<b>1,401,245</b>	<b>28,375</b>	<b>2,356,998</b>	<b>501,462</b>	<b>1,463,999</b>	<b>13,375</b>	<b>1,978,836</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 20 to the financial statements.

# The Park Theatre

## Balance sheets

Company no. 7091161

As at 31 March 2021

	Note	The group 2021 £	2020 £	The charity 2021 £	2020 £
<b>Fixed assets:</b>					
Tangible assets	11	1,448,346	1,521,095	1,448,346	1,521,095
Investments	12	–	–	2	2
		<b>1,448,346</b>	<b>1,521,095</b>	<b>1,448,348</b>	<b>1,521,097</b>
<b>Current assets:</b>					
Stock	15	–	1,137	–	–
Debtors	16	235,464	202,248	341,420	317,585
Cash at bank and in hand		929,818	709,152	922,939	662,758
		<b>1,165,282</b>	<b>912,537</b>	<b>1,264,359</b>	<b>980,343</b>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	17	(256,630)	(454,795)	(255,898)	(417,083)
		<b>908,652</b>	<b>457,741</b>	<b>1,008,461</b>	<b>563,260</b>
<b>Net current assets</b>		<b>908,652</b>	<b>457,741</b>	<b>1,008,461</b>	<b>563,260</b>
<b>Total net assets</b>	19a	<b>2,356,998</b>	<b>1,978,836</b>	<b>2,456,809</b>	<b>2,084,357</b>
<b>Funds:</b>	20a				
Restricted income funds		28,375	13,375	28,375	13,375
Unrestricted income funds:					
Designated funds		1,401,245	1,463,999	1,401,245	1,463,999
General funds		1,027,189	606,984	1,027,189	606,984
Non-charitable trading funds		(99,811)	(105,522)	–	–
Total unrestricted funds		<b>2,328,623</b>	<b>1,965,461</b>	<b>2,428,434</b>	<b>2,070,984</b>
<b>Total funds</b>		<b>2,356,998</b>	<b>1,978,836</b>	<b>2,456,809</b>	<b>2,084,357</b>

Approved by the trustees on 2 December 2021 and signed on their behalf by

Nigel Pantling  
Chair of Trustees

**The Park Theatre**

**Consolidated statement of cash flows**

**For the year ended 31 March 2021**

	Note	2021 £	£	2020 £	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		378,162		102,035	
Depreciation charges		96,540		100,547	
Increase in stocks		1,137		13,259	
Increase in debtors		(33,216)		(96,530)	
Decrease in creditors		(198,165)		(69,460)	
<b>Net cash provided by operating activities</b>			<b>244,458</b>		<b>49,851</b>
<b>Cash flows from investing activities:</b>					
Purchase of fixed assets		(23,792)		(9,696)	
<b>Net cash used in investing activities</b>			<b>(23,792)</b>		<b>(9,696)</b>
<b>Change in cash and cash equivalents in the year</b>			<b>220,666</b>		<b>40,154</b>
Cash and cash equivalents at the beginning of the year			<b>709,152</b>		<b>668,998</b>
<b>Cash and cash equivalents at the end of the year</b>			<b>929,818</b>		<b>709,152</b>

**1 Accounting policies**

**a) Statutory information**

The Park Theatre is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address is 11 Clifton Terrace, Finsbury Park, London, N4 3JP.

**b) Basis of preparation**

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

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

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

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

**c) Public benefit entity**

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

**d) Going concern**

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

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

**e) Income**

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

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

Cafe bar income comprises sales of food and drink and are recognised at the point of sale.

Workshop income comprises amounts due in respect of creative learning classes held at the theatre and are recognised on receipt.

Theatre rental comprise amounts due from third parties for rental of theatre space for a third party production. Theatre rental is recognised in the period in which the performance occurs.

Box office income comprises ticket sales for the charity's own productions and are recognised in the period in which the performance occurs.

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

**1 Accounting policies (continued)**

**f) Interest receivable**

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

**g) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

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

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

**h) Expenditure and irrecoverable VAT**

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

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

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

**i) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**j) Operating leases**

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

**k) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is split between a designated fund, for depreciation on Long Leasehold Property assets, and straight line against unrestricted funds, for depreciation of Fixtures & Fittings and Office Equipment.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- |                           |                   |
|---------------------------|-------------------|
| ● Long leasehold property | 4% straight line  |
| ● Fixtures and fittings   | 15% straight line |
| ● Office equipment        | 25% straight line |

**l) Investments in subsidiaries**

Investments in subsidiaries are at cost.



**1 Accounting policies (continued)**

**m) Stocks**

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

**n) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income holds the expected receipt of theatre's claim of Theatre Tax Relief from HMRC and the distribution donation from the Production Company post year end.

**o) Cash at bank and in hand**

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

**p) Creditors and provisions**

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

**q) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**r) Pensions**

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

**2 Income from donations and legacies**

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Gifts	586,175	–	586,175	139,022	59,899	198,921
Subscriptions	22,502	–	22,502	41,912	–	41,912
Grants	532,910	352,670	885,580	–	43,000	43,000
Donated services	–	–	–	–	–	–
	<u>1,141,587</u>	<u>352,670</u>	<u>1,494,257</u>	<u>180,934</u>	<u>102,899</u>	<u>283,833</u>

The Charity received significant support from the HMRC's JRS scheme 2021: £507,078 (2020: nil), to support the salaries of various staff throughout their furloughed period. The Charity were also awarded a substantial grant from the Arts Council of England 2021: £225,000 (2020: nil), following its Cultural Recovery Fund application to support on-going costs and activities throughout the pandemic.

# The Park Theatre

## Notes to the financial statements

For the year ended 31 March 2021

### 3 Income from charitable activities

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Box office	30	–	30	560,550	–	560,550
Workshop	9,933	–	9,933	18,048	–	18,048
Other	51,255	–	51,255	62,701	–	62,701
Theatre rental	–	–	–	324,923	–	324,923
Recharged Expenses	–	–	–	17,408	–	17,408
Total income from charitable activities	61,218	–	61,218	983,630	–	983,630

### 4 Income from other trading activities

	2021 Total £	2020 Total £
Café bar	386	481,417
Production Company	8,571	402,667
Fundraising activities:		
Name a seat	–	2,375
	8,957	886,459

All income from trading activities is unrestricted.

The Park Theatre

Notes to the financial statements

For the year ended 31 March 2021

5a Analysis of expenditure (current year)

	Raising funds £	Charitable activities £	Governance costs £	Support costs £	2021 Total £	2020 Total
Staff costs (Note 7)	154,428	411,315	30,064	187,897	<b>783,704</b>	947,104
Production costs	-	74,341	-	-	<b>74,341</b>	381,507
Premises costs	8,490	4,245	-	72,168	<b>84,903</b>	146,642
Advertising and marketing	-	35,480	-	6,261	<b>41,741</b>	96,511
Insurance	-	-	-	13,271	<b>13,271</b>	12,048
Travelling and entertainment	648	648	-	-	<b>1,296</b>	4,385
Office and internet	-	-	-	25,250	<b>25,250</b>	31,616
License fees	-	-	-	784	<b>784</b>	2,491
Sundry	1,441	-	-	4,322	<b>5,763</b>	1,111
Box office costs	-	23,372	-	-	<b>23,372</b>	44,482
Professional fees	-	-	-	1,350	<b>1,350</b>	7,443
Bank charges	743	-	-	743	<b>1,486</b>	2,180
Audit and accountancy	-	-	11,700	-	<b>11,700</b>	4,950
Café bar	2,868	-	-	319	<b>3,187</b>	215,203
Irrecoverable VAT	-	-	-	17,582	<b>17,582</b>	45,097
Corporation Tax Charge	-	-	-	-	-	8,570
Depreciation	-	-	-	96,540	<b>96,540</b>	100,547
	<b>168,618</b>	<b>549,401</b>	<b>41,764</b>	<b>426,487</b>	<b>1,186,270</b>	
Support costs	94,650	308,394	23,443	(426,487)	-	-
Governance costs	15,313	49,894	(65,207)	-	-	-
<b>Total expenditure 2021</b>	<b>278,581</b>	<b>907,689</b>	<b>-</b>	<b>-</b>	<b>1,186,270</b>	
Total expenditure 2020	809,383	1,242,504	-	-		<b>2,051,887</b>

The Park Theatre

Notes to the financial statements

For the year ended 31 March 2021

5b Analysis of expenditure (prior year)

	Raising funds £	Charitable activities £	Governance costs £	Support costs £	2020 Total £
Staff costs (Note 7)	347,261	430,338	23,380	146,125	947,104
Production costs	35,301	346,206	-	-	381,507
Premises costs	14,664	7,332	-	124,646	146,642
Advertising and marketing	-	82,034	-	14,477	96,511
Insurance	-	-	-	12,048	12,048
Travelling and entertainment	2,192	2,193	-	-	4,385
Office and internet	-	-	-	31,616	31,616
License fees	-	-	-	2,491	2,491
Sundry	278	-	-	833	1,111
Box office costs	-	44,482	-	-	44,482
Professional fees	-	-	-	7,443	7,443
Bank charges	1,090	-	-	1,090	2,180
Audit and accountancy	-	-	4,950	-	4,950
Café bar	193,683	-	-	21,520	215,203
Irrecoverable VAT	-	-	-	45,097	45,097
Corporation Tax Charge	-	-	-	8,570	8,570
Depreciation	-	-	-	100,547	100,547
	594,469	912,585	28,330	516,503	2,051,887
Support costs	199,980	306,993	9,530	(516,503)	-
Governance costs	14,934	22,926	(37,860)	-	-
<b>Total expenditure 2020</b>	<b>809,383</b>	<b>1,242,504</b>	<b>-</b>	<b>-</b>	<b>2,051,887</b>

Notes to the financial statements

For the year ended 31 March 2021

**6 Net income / (expenditure) for the year**

This is stated after charging / (crediting):

	2021 £	2020 £
Depreciation	96,540	100,547
Operating lease rentals:		
Property	25,000	25,000
Other	8,890	991
Auditor's remuneration (excluding VAT):		
Audit	9,700	9,700
	<b>96,540</b>	<b>100,547</b>

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

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	694,345	833,737
Redundancy and termination costs	21,498	–
Social security costs	45,590	59,575
Employer's contribution to defined contribution pension schemes	11,216	15,623
Other staff costs	32,553	38,169
	<b>805,202</b>	<b>947,104</b>

No employee earned more than £60,000 during the year (2020: £nil).

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £230,993 (2020: £237,708).

A total number of three employee's employments were given redundancy notices in the year, the total Redundancy and Termination costs were £21,498 (2020: nil)

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

No trustees received any reimbursed expenses (2020: £nil).

**8 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 41 (2020: 47).

## 9 Related party transactions

As per last year, the freeholders for Park Theatre are Mr Jez Bond (the Theatre's Artistic Director) and his siblings Ms Imola Melinda Bond and Ms Nicola Zsuzsa Primerano Riano.

During the financial year, rent of £25,000 (2020: £25,000) has been accrued and not paid as agreed with the freeholders. The freeholders requested that funds be held on account until such time that it is requested to be released to them or donated to the charity.

During the year the a number of trustees donated a total of £19,175 of unrestricted funds to support the charity throughout the pandemic.

## 10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiaries distribute under gift aid available profits to the parent charity. The charge to corporation tax in the year was:

	2021 £	2020 £
UK corporation tax at 19%	-	-

## 11 Tangible fixed assets

### The group and charity

	Long term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>				
At the start of the year	1,961,957	282,959	48,765	<b>2,293,681</b>
Additions in year	16,430	6,501	860	<b>23,791</b>
At the end of the year	<b>1,978,387</b>	<b>289,460</b>	<b>49,625</b>	<b>2,317,472</b>
<b>Depreciation</b>				
At the start of the year	497,958	230,911	43,717	<b>772,586</b>
Charge for the year	79,184	12,769	4,587	<b>96,540</b>
At the end of the year	<b>577,142</b>	<b>243,680</b>	<b>48,304</b>	<b>869,126</b>
<b>Net book value</b>				
At the end of the year	<b>1,401,245</b>	<b>45,780</b>	<b>1,321</b>	<b>1,448,346</b>
At the start of the year	<b>1,463,999</b>	<b>52,048</b>	<b>5,048</b>	<b>1,521,095</b>

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31 March 2021

12 Fixed asset investments

	The group 2021 £	2020 £	The charity 2021 £	2020 £
Investments in subsidiary companies	–	–	2	2

13 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of Park Theatre Café Bar Limited and Park Theatre Productions Limited, both of which are companies registered in England and Wales (company registration numbers 09492315 and 09358327 respectively) and their registered address is 11 Clifton Terrace, Finsbury Park, London, N4 3JP. The subsidiaries are used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are distributed under gift aid to the charitable company.

The trustees A Cleland-Bogle and V Phillips are also Directors of Park Theatre Café Bar Limited, along with the Artistic and Executive Directors. The trustee N Frankfort together with the Artistic and Executive Directors are also Directors of Park Theatre Productions Limited.

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

	Park Theatre Café Bar Limited		Park Theatre Productions Limited	
	2021 £	2020 £	2021 £	2020 £
Turnover	384	481,409	1	337,555
Cost of sales	(3,187)	(192,671)	–	(426,381)
Gross profit/(loss)	(2,803)	288,738	1	(88,826)
Administrative expenses	–	(295,718)	(60)	(25,425)
Other operating income	–	–	–	65,112
Bank interest	3	8	1	–
Operating profit / (loss)	(2,800)	(6,972)	(58)	(49,139)
Theatre tax credit	–	–	–	–
Profit/(loss) on ordinary activities	(2,800)	(6,972)	(58)	(49,139)
Distribution to parent under gift aid		–	–	–
Reverse Taxation			8,570	
Profit/(loss) for the financial year	(2,800)	(6,972)	8,512	(49,139)
The aggregate of the assets, liabilities and funds was:				
Assets	–	–	–	–
Liabilities	(2,800)	(6,972)	8,512	(49,139)
Funds	(2,800)	(6,972)	8,512	(49,139)

Included within administrative expenses above is a management charge of £nil (2020: £51,000) from the parent entity. Included within Cost of Sales of the Production Company lies the rental charge and recharges to the Parent Company.

Amounts owed to/from the parent undertaking are shown in note 16 and 17.

Notes to the financial statements

For the year ended 31 March 2021

14 Parent charity

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

	2021 £	2020 £
Gross income	1,555,475	1,418,838
Result for the year	372,454	158,146

15 Stock

	The group 2021 £	2020 £	The charity 2021 £	2020 £
Finished goods	-	1,137	-	-
	-	1,137	-	-

16 Debtors

	The group 2021 £	2020 £	The charity 2021 £	2020 £
Amounts owed to group undertakings	-	-	107,319	116,701
Trade debtors	49,130	49,493	47,767	48,130
Prepayments and accrued income	108,098	83,408	108,098	83,407
VAT debtor	50,504	-	50,504	-
Other debtors	27,732	69,347	27,732	69,347
	235,464	202,248	341,420	317,585

17 Creditors: amounts falling due within one year

	The group 2021 £	2020 £	The charity 2021 £	2020 £
Amounts owed to group undertakings	-	-	-	-
Trade creditors	24,520	118,319	24,574	89,832
Taxation and social security	11,782	20,473	11,782	20,228
Other creditors	72,612	12,252	72,616	7,498
Accruals and deferred income	147,716	303,751	146,926	299,525
	256,630	454,795	255,898	417,083

Other Creditors include the receipt of customer ticket sales being reallocated to 'Credit on Account' following the cancellation of shows due to Covid 19.



## Notes to the financial statements

For the year ended 31 March 2021

## 18 Deferred income

Deferred income comprises of Box Office funds received in advance for future productions and upfront Rental of Theatre as per the rental contracts.

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Balance at the beginning of the year	137,596	215,077	137,596	215,077
Amount released to income in the year	(120,570)	(214,181)	(120,570)	(214,181)
Amount deferred in the year	71,918	136,702	71,918	136,702
Balance at the end of the year	<b>88,944</b>	<b>137,598</b>	<b>88,944</b>	<b>137,598</b>

## 19a Analysis of group net assets between funds (current year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	47,101	1,401,245	–	1,448,346
Net current assets	880,277	–	28,375	908,652
Net assets at 31 March 2021	<b>927,378</b>	<b>1,401,245</b>	<b>28,375</b>	<b>2,356,998</b>

## 19b Analysis of group net assets between funds (prior year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	57,096	1,463,999	–	1,521,095
Net current assets	444,366	–	13,375	457,741
Net assets at 31 March 2020	<b>501,462</b>	<b>1,463,999</b>	<b>13,375</b>	<b>1,978,836</b>

## Notes to the financial statements

For the year ended 31 March 2021

## 20a Movements in funds (current year)

	At 1 April 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
<b>Restricted funds:</b>					
ACE	–	35,000	(35,000)	–	–
City Bridge – Access Programme	4,375	8,900	(8,900)	–	4,375
National Lottery	–	15,250	(15,250)	–	–
Garfield Western	–	20,000	(8,000)	–	12,000
Creative Learning	4,000	10,000	(7,000)	–	7,000
Islington Council	–	25,000	(25,000)	–	–
Mercers' Trust	5,000	5,000	(5,000)	–	5,000
Lady Brittain	–	2,500	(2,500)	–	–
ACE – Cultural Recovery Fund	–	225,000	(225,000)	–	–
Annual Fund	–	6,020	(6,020)	–	–
<b>Total restricted funds</b>	<b>13,375</b>	<b>352,670</b>	<b>(337,670)</b>	<b>–</b>	<b>28,375</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Property fund	1,463,999	–	(79,184)	16,430	1,401,245
<b>Total designated funds</b>	<b>1,463,999</b>	<b>–</b>	<b>(79,184)</b>	<b>16,430</b>	<b>1,401,245</b>
<b>General funds</b>	<b>606,984</b>	<b>1,211,374</b>	<b>(774,739)</b>	<b>(16,430)</b>	<b>1,027,189</b>
<b>Non-charitable trading funds</b>	<b>(105,522)</b>	<b>388</b>	<b>5,323</b>	<b>–</b>	<b>(99,811)</b>
<b>Total unrestricted funds</b>	<b>1,965,461</b>	<b>1,211,762</b>	<b>(848,600)</b>	<b>–</b>	<b>2,328,623</b>
<b>Total funds</b>	<b>1,978,838</b>	<b>1,564,432</b>	<b>(1,186,270)</b>	<b>–</b>	<b>2,356,998</b>

The narrative to explain the purpose of each fund is given at the foot of the note below.

## 20b Movements in funds (prior year)

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2020 £
<b>Restricted funds:</b>					
ACE – Access Programme	–	1,800	(1,800)	–	–
City Bridge – Access Programme	–	22,250	(17,875)	–	4,375
Community Engagement Officer	5,000	14,000	(15,000)	–	4,000
Lady Brittan	–	3,000	(3,000)	–	–
Producers Circle	–	12,350	(12,350)	–	–
Production Fund	10,000	5,000	(15,000)	–	–
Annual Fund	–	276	(276)	–	–
Telford Homes	–	10,000	(10,000)	–	–
Islington Council	2,000	3,123	(5,123)	–	–
Morris Trust – Creative Learning	–	5,650	(5,650)	–	–
Marianne Falk	–	–	–	–	–
Mercers' Trust	4,250	20,750	(20,000)	–	5,000
Victoria Wood Foundation	–	4,700	(4,700)	–	–
<b>Total restricted funds</b>	<b>21,250</b>	<b>102,899</b>	<b>(110,774)</b>	<b>–</b>	<b>13,375</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Property fund	1,532,164	–	(68,165)	–	1,463,999
<b>Total designated funds</b>	<b>1,532,164</b>	<b>–</b>	<b>(68,165)</b>	<b>–</b>	<b>1,463,999</b>
<b>General funds</b>	<b>372,798</b>	<b>1,166,939</b>	<b>(932,752)</b>	<b>–</b>	<b>606,984</b>
<b>Non-charitable trading funds</b>	<b>(49,411)</b>	<b>884,085</b>	<b>(940,195)</b>	<b>–</b>	<b>(105,522)</b>
<b>Total unrestricted funds</b>	<b>1,855,551</b>	<b>2,051,023</b>	<b>(1,941,113)</b>	<b>–</b>	<b>1,965,461</b>
<b>Total funds</b>	<b>1,876,801</b>	<b>2,153,922</b>	<b>(2,051,887)</b>	<b>–</b>	<b>1,978,836</b>

**20b Movements in funds (continued) – purposes of funds**

**Purposes of designated funds**

The Property Fund represents the net book value of long term leasehold assets. Depreciation of these assets is charged against the fund. Transfers from unrestricted funds in the year reflect the additions made in the reporting period.

**Purposes of restricted funds**

**Arts Council England** – Emergency grant towards hardship caused by initial lockdown

**City Bridge Trust** – Grant supporting the costs of our Access Co-ordinator and access initiatives

**National Lottery Community Fund** – Grant towards the continuation of Creative Learning throughout six months of lockdown

**Garfield Weston Foundation** – Grant towards the continuation of Creative Learning throughout lockdown

**Creative Learning** – To fund the creative learning and community outreach programme

**Islington Council** – Grant rewarded to cover running costs during Theatre closure as a result of Covid 19

**Mercers' Trust** – Grant towards the continuation of the Reminiscence Project for people living with Dementia and their carers

**Lady Brittan** – Contribution towards Community Engagement Manager salary

**The Victoria Wood Foundation** – Grant towards the continuation of the music strand of the Reminiscence Project

**Arts Council England, Cultural Recovery Fund** – A grant to enable cultural organisations that were affected by the Covid-19 crisis to stay afloat, providing them with support over a 6-month period to ensure that by 31 March 2021 they could reopen, either fully or partially, or operating on a sustainable, cost-efficient basis until they are able to reopen at a later date

**Annual Fund** – Contributions towards the operational costs of the charity such as building maintenance

## 21 Operating lease commitments

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

	Property		Equipment	
	2021	2020	2021	2020
	£	£	£	£
Less than one year	25,000	25,000	–	991
One to five years	100,000	100,000	8,890	495
Over five years	275,000	300,000	–	–
	<b>400,000</b>	<b>425,000</b>	<b>8,890</b>	<b>1,486</b>

## 22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.