

**Charity Registration No. 1161430**

**Company Registration No. 1643977 (England and Wales)**

**CRITERION THEATRE LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

# CRITERION THEATRE LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	J Elves	
	A Greene	
	N Firth	
	K B Sowerby	(Appointed 16 September 2020)
	H McGowan	(Appointed 16 September 2020)
	C Firth	(Appointed 16 September 2020)
<b>Secretary</b>	S Sharpe	
<b>Charity number</b>	1161430	
<b>Company number</b>	1643977	
<b>Registered office</b>	Berkeley Road South Earlsdon Coventry West Midlands England CV5 6EF	
<b>Independent examiner</b>	Azets Audit Services 3Mc Middlemarch Business Park Siskin Drive Coventry CV3 4FJ	

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# **CRITERION THEATRE LIMITED**

## **CONTENTS**

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	<b>Page</b>
Trustees' report	1 - 9
Independent examiner's report	10
Statement of financial activities	11
Balance sheet	12
Notes to the financial statements	13 - 20

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# CRITERION THEATRE LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### Report of the Trustees

#### Introduction

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

The financial statements comply with the Charities Act 1993, the Memorandum and Articles of Association and the Statement of Recommended Practice-Accounting and Reporting by Charities (SORP 2005).

#### Reference and Administrative Details

Registered Charity Name: Criterion Theatre Limited

Registered Charity Number: 1161430

Registered Company Number: 01643977

Address of principal office: Criterion Theatre, Berkeley Road South, Coventry, CV5 6EF

#### Directors and Trustees

The names of Trustees who have served during the reporting period are as follows:

- Jonathon Elves
- Anne-Marie Greene
- Simon Sharpe
- Nicole Firth
- Barbara Sowerby (from September 16th 2020)
- Chris Firth (from September 16th 2020)
- Helen McGowan (from September 16th 2020)

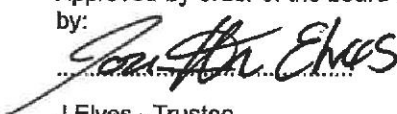
#### Company Secretary

S Sharpe

#### Independent examiner

Robert Anderson, FCA  
Baldwins Audit Services  
3Mc Middlemarch Business Park  
Coventry  
CV3 4FJ

Approved by order of the board of trustees on 15/05/2021 and signed on its behalf  
by:

  
J Elves - Trustee

# **CRITERION THEATRE LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **Chair's report**

The Criterion Theatre is 'The Little Theatre with Big Ambitions'. We own our theatre building and have been producing theatrical entertainment of the highest quality for over sixty years. We are totally reliant on volunteers for all our activities both on and off stage. Our vision is to be the best non-professional theatre company in the West Midlands, producing exemplary theatrical experiences and developing theatre artists, thus fulfilling our charitable objectives of promoting theatre and the dramatic arts in Coventry, Warwickshire and the West Midlands.

The Covid-19 pandemic has had a very significant effect on our activities this year. After two very successful productions in January and February 2020 (with 83% and 89% audiences respectively), we had to close our March production after only two nights due to the national lockdown and shut down all theatre activities.

However, we have continued to produce theatre throughout lockdown, reacting to the situation in an agile way, and making the most of the opportunities available and embracing the online form. We have kept the Company and wider membership community connected with regular online play readings and online social events. We have produced three online productions and during the brief respite from lockdown in the Autumn, managed to stage a production to a 20% capacity, socially-distanced audience. We have worked to make our building Covid-secure and ready to open whenever regulations allow.

We have ended the year financially in a much better place than we could have hoped for. Through a mixture of prudent expenditure reduction, fundraising, donations and a successful Covid grant application, we have maintained a position of financial health. We have also taken the opportunity to complete some building repairs and refurbishment, including the planned installation of a new lighting rig.

We have also used the Covid moment for some serious reflection on our operations and activities particularly around equality, diversity and inclusion. We have produced an Anti-Racism Reflective Statement as a provocation to ourselves as an organisation, alongside an Equality, Diversity and Inclusion Policy Statement and Action Plan. A new EDI Working Group has been established with a remit to report back to the AGM. We are asking all our members, volunteers and stakeholders to sign up to an ethos of equality, diversity and inclusion, as individuals and as an organisation and to commit to furthering diversity within our company and beyond it into the wider theatre and arts arena.

2021 will see us celebrate our diamond anniversary, it being sixty years since the Criterion Theatre building opened. Despite the hardship of this pandemic year, I feel that we are in an extremely good place to move forward, more able to deal with uncertainty and change, and can look forward optimistically to an exciting artistic year.

Jon Elves, Chair

# **CRITERION THEATRE LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **Objectives and activities**

The charitable objectives of The Criterion Theatre Limited are:

1. To educate the public in the dramatic and operatic arts
2. To further the development of public appreciation and taste in the said arts.

We achieve these objectives through the following means (some of which have been curtailed this year due to the pandemic lockdown):

- An annual programme of in-house productions: Productions are openly presented to the public. The programme is selected carefully to present to the general public, a wide variety of dramatic genres and the use of work by both classic playwrights and the most up to date writers. This is to ensure the widest public, educative and developmental potential of the programme. The varied programme of in-house productions also offers educative opportunities to the cast and crew in developing their on and off stage skills and competencies.
- Volunteering opportunities: The Theatre runs solely on the basis of volunteer activity. There are opportunities for the public to be involved, by joining as members, in all aspects of Theatre activity. This involves the core activity of productions (cast and crew), but also support functions (e.g. running the bar, box office, front of house, health and safety, cleaning, events team etc.). This has educative value in allowing people to be involved in how a theatre works, increasing appreciation for dramatic arts.
- Children's drama classes from school years 3 to 10 (aged 7 to 15): Open to the general public. Workshops teaching a range of drama skills. A showcase of their learning over the year is presented towards the end of the Summer term. There are opportunities for drama class students to participate in relevant in-house productions. Core educative value for children in educating them about drama, plays, acting and developing appreciation for dramatic arts into their lives.
- Training opportunities in the dramatic arts: The Theatre hosts regular New Members Nights when the public can come along and find out about what activities the Theatre is engaged in. Individuals are encouraged to become members of the Theatre to get involved in all on stage and off stage aspects of production regardless of levels of previous experience. Relevant in-house training is offered.
- Involvement in the local Coventry community: This includes providing a free of charge one-off meeting venue for local groups. The Theatre is also a sponsor of the annual Earlsdon community festival. Connections with Coventry University have also been established. This facilitates the Theatre's community involvement and expands the public reach of the dramatic activities undertaken by the Theatre, thus contributing to achieving its charitable objectives.
- A venue for external theatre companies and other artistic events (e.g. travelling theatre companies, independent film-makers, musicians, dance troupes): This provides educative value in expanding the exposure of the public to a variety of dramatic and artistic endeavours.
- The running of a licensed bar, open two evenings a week and during all productions and events. This trading activity is deemed to be secondary and only in furtherance of our charitable objectives.

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guide on public benefit, including the guidance on fee charging. The charity relies on ticket and refreshment sales and membership subscriptions to cover its operating costs. In setting the level of charges and concessions, the Trustees give careful consideration to the accessibility of the events it programmes for those on low incomes.

# CRITERION THEATRE LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### Achievements and performance Our Season of Productions

We engage in adventurous and challenging programming, selecting plays across the variety of genres, that stretch actors and technical teams, are relevant to contemporary society, and enjoyable to audiences. The artistic team endeavours to have the most up to date information about new releases, and we are often the first theatre in the region to gain amateur rights to shows. This means that we provide considerable artistic and educative value to our audiences, the general public. Without the Criterion Theatre, the general public would not have had access to these dramatic pieces of work.

Between January 1st and December 31st 2020, we have presented seven productions. The national Covid lockdown meant that we were only able to produce three of the ten plays planned for the 2020 season, including the enforced closure of 'Lovesong' in March, after only two nights. We started the year with the heart-warming comedy 'Glorious', followed by a studio production of 'Pillowman', staged on the auditorium floor, and making innovative use of filmed sequences.

However, we have moved quickly to upskill and embrace the online form within lockdown. In August, we produced an online performed reading of one of the postponed plays, 'Pressure'. In November we streamed an online production of 'Edith in the Beginning', a filmed play produced through Zoom from actors' domestic spaces. In December we offered an online performed reading of an adaptation of Dickens' 'A Christmas Carol' and a Christmas Mashup film of a collection of sketches, poems, songs, dances and more made by members. In late September we produced 'Queers: Eight Monologues' live on stage to a sold-out socially-distanced audience (20% capacity), following Covid-secure guidelines, and additionally produced an online filmed version of this production.



# **CRITERION THEATRE LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **Our Educational Activities**

As part of fulfilling our charitable objectives to educate and promote appreciation of the dramatic arts, we engage in a programme of educational activities.

#### **Drama Classes**

Part of our vision involves inspiring the next generation of actors and theatre audiences, and the Criterion Theatre provides a valuable education in the dramatic arts, and appreciation of theatre for young people within the local area.

Over the reporting period we continued to provide weekly drama class workshops from January to lockdown on March 23rd, teaching a range of theatrical skills to children and young people. These workshops are open to the public. They involve volunteer tutors drawn from the acting Company, and while there are those that regularly lead the classes, tutors are also drawn on to deliver specialist sessions such as on mime, stage fighting and voice coaching.

We run two drama classes on Saturday mornings in school term times, split by school year age (Class 1: Year 4 to 6; and Class 2: Year 7-10). Parents, carers and family are invited to come and share in the drama class learning at various opportunities through the year.

#### **Play Readings**

Every production in the season has an initial reading, before the audition and casting process starts which is open to the public. This is an opportunity for people to hear a play read aloud, participate in taking parts and gain a greater understanding of a particular play. This provides educative value and the appreciation of dramatic arts to the public. It also helps to encourage people to come along and get more involved in productions, either on stage by auditioning or in the multitude of backstage and other support roles.

In addition, during lockdown, the play reading group has organised twelve online play readings which have contributed to keeping the Company connected and engaged in artistic activities.



# **CRITERION THEATRE LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **Our Community Activities**

We are passionate about Coventry and our place in the local community. While we are limited by our busy production schedule and the space restrictions of our building, we do our best to accommodate and support artistic and dramatic activities taking place in the local community whenever possible.

In non-pandemic times, we provide a free of charge, resourced space for people within the local community to produce and promote works of cultural value. In addition, we provide a resourced venue for national and international theatre companies and other artistic organisations to perform (e.g. travelling theatre companies, independent film-makers, musicians, dance troupes). All of these activities have had to be curtailed this year.

Other social events including a monthly coffee morning have had to be cancelled due to lockdown. However, we have offered online quizzes, social events and even two virtual bar evening.

In this way, we offer considerable value to the general public in terms of extending the cultural offering in the local area.

### **Equality, Diversity and Inclusion**

The Criterion Theatre is committed to a core aspiration to be a demonstrable place of opportunity for all with diverse and brilliant plays on stage and inclusive company and membership. The lockdown has provided a moment when we have taken the time for some serious and considered reflection on where we are as an organisation within our local community.

As a response to the recent demand for change, born of George Floyd's murder in 2020 and the wider Black Lives Matter movement, we have worked to develop a clear Anti-Racism Reflective Statement that sets out our position and is not only a provocation to ourselves, but also a set of aspirations and a call to action to make real change and progress on equality, diversity and inclusion within our theatre.

Accompanying this, we have updated our Equality, Diversity and Inclusion Policy Statement. This proudly states our position, what we currently do, and what we plan to do to make improvements in the future around EDI issues.

A new EDI Working Group has been set up, led by the Artistic Director, with the role to provide direction, support and guidance to the Board and all volunteers on EDI issues. This group has developed an EDI Action Plan for 2021 and will report at each AGM on progress made annually within the EDI Action Plan.

### **Our Volunteers**

We rely totally on a volunteer workforce and have no paid employees. There are opportunities for the public to be involved in all aspects of theatre activity through volunteer roles (all volunteers must also be members of the Theatre). This contributes to the promotion of appreciation of dramatic arts to the general public, offering considerable opportunities for important altruistic, artistic, dramatic and 'serious leisure' activities, vital to people's well-being.

To encourage membership and volunteering, it is vitally important that we provide a creative, social, inspirational and supportive space for anyone who comes in our door, and we are open to people of all ages, experience, background and walks of life. We pride ourselves on our strong sense of community and family. We hope through our volunteering activities that we can demonstrate that theatre matters and that theatre is fun to be involved in.

We are so lucky to have a strong and loyal group of committed volunteers who are prepared to put in considerable and significant time and effort for the Theatre. Alongside the 150-200 Company members who are directly involved in productions, there are also around 300 members, many of whom provide a variety of support roles in the Theatre (i.e. Box Office, Coffee Bar, Front of House).

This year, whenever regulations have allowed, and in adherence to Covid-secure guidelines, volunteers have continued to make sure activities have continued within the theatre building.

# **CRITERION THEATRE LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **Public Benefit**

The charity have had due regard to guidance published by the Charity Commission on public benefit and consider that the charity complies with the requirements.

### **Financial review**

At the end of the reporting period, the charity had accumulated cash reserves of £68,700. This puts the charity in a strong financial position against its committed expenditure.

### **Reserves policy**

The level of unrestricted funds are maintained at 3-6 months operational costs.

### **Pricing Policy**

The charity relies on ticket and refreshment sales and membership subscriptions to cover its operating costs. The Trustees consider the highest charge for membership subscription and for ticket prices to be affordable and a 'low fee'. Concessions are available for those aged under 18 years of age. This opinion is based on an assessment of the highest fee charged proportionate to UK average earnings. The ticket prices of the Criterion Theatre Limited are comparable with other non-professional theatres in the region.

Membership subscriptions are very low and have not increased for over 5 years (Company £20; Club £10, Youth £5). The rationale for charging a membership subscription has been carefully considered by the Trustees. Being involved in the areas of production requires a level of commitment to the Theatre that is cemented by membership and the small financial cost of membership. In addition, the Theatre has to invest in those members who volunteer for productions in terms of training and insurance. Members gain the benefit of discounted tickets which are a way of generating repeat visits and increased commitment to the Theatre, and also are of financial help to those people who like to come and see multiple productions.

We made the decision in August 2020 to increase ticket prices by £1.50 (now £10 for members and £12.50 for non-members) reflecting inflationary increases and to help with the financial consequences of the Covid pandemic. The last time that ticket prices were raised was ten years ago.

# **CRITERION THEATRE LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **Structure, governance and management**

The Criterion Theatre Limited constitutes a limited company, limited by guarantee, as defined by the Companies act 2006. It is controlled by its governing document, the memorandum and articles using an approved governing document underwritten by the National Operatic and Dramatic Association (NODA). It is registered as a charity with the Charity Commission.

### **Organisation**

#### **Appointment of Trustees**

This is on the basis of the voting of members (as defined in clause 10) at a duly constituted general meeting. Under clause 33, the charity may by ordinary resolution:

- (1) appoint a person who is willing to act to be a trustee/director; and
- (2) determine the rotation in which any additional trustee/directors are to retire.

The resignation of trustees/directors in rotation is determined by clause 31 and 32.

The minimum number of trustees is 3 and is currently not subject to any maximum.

#### **Training and Induction of Trustees**

In order to stand for appointment, trustees must meet the requirements of the Charity Commission. Induction will be conducted by present trustees, under the stewardship of the Secretary.

#### **Voting rights within the charity**

All Company members of the charity, whose membership subscription is up to date are eligible to vote at a duly constituted general meeting.

#### **Related Parties**

All related interests of Trustees with regard to transactions and arrangements have been declared at the duly constituted Board meetings and proceedings undertaken in accordance with Clause 8 and 9 of the governing document.

#### **Risk Management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

#### **Trustees' Responsibilities in Relation to the Financial Statements**

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

# CRITERION THEATRE LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### Plans for the future

The Trustees are responsible for establishing the Strategic Business Plan looking forward over the next five-year period. We are a successful Theatre, with a thriving company and much appeal in the wider community.

However, our core activities are severely restricted by the capacity and state of our theatre building in two major areas:

- Lack of space: Our theatre building is too small and restrictive in structure to enable us to make the most of the activities we engage in currently and impedes further development of these activities for the future. Our ability to offer a venue for both internal meetings and external groups depends on the limited availability around the in-house production schedule. We lack rehearsal and alternative performance space, adequate space to build sets and designated meeting room.
- Our theatre building is in need of refurbishment. Major ongoing deficiencies include, lack of accessible toilet facilities, backstage areas and building structures to the rear which are in a poor state of repair, and lack of effective and consistent heating for winter and comfort-cooling for summer.

In 2019, we budgeted for the first phase of work to replace our lighting rig and were able to successfully complete this project during lockdown in 2020. However, we are severely impeded by the lack of significant capital funding beyond our own business income and we are unable to fund any significant future capital expenditure relating to building, refurbishment and redevelopment from within our existing income sources.

In order to fulfil our ambitions of maintaining our current performance standards plus significantly expanding and developing our activities, our plan of work for the short and long term future is to engage in fundraising in order to generate alternative sources of income, which can be used to:

- Refurbish and redevelop the existing building infrastructure including provision of accessible toilet facilities
- Complete internal decoration and refurbishment
- Improve heating and cooling functionality
- Redevelop the backstage areas
- Develop new construction at the rear of the theatre where there is existing undeveloped land.
- Construct new rehearsal/studio and designated meeting space.

To progress this plans, in 2019 we established the new Director/Trustee role of Fundraising Director and set up a new Fundraising Committee, and in 2020, have set up a new Development Committee, led by the Chair.

The trustees' report was approved by the Board of Trustees.



J Elves

Trustee

Dated: 15/05/2021

# CRITERION THEATRE LIMITED

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF CRITERION THEATRE LIMITED

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I report to the trustees on my examination of the financial statements of Criterion Theatre Limited (the charity) for the year ended 31 December 2020.

#### **Responsibilities and basis of report**

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

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

#### **Independent examiner's statement**

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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



Robert Anderson, FCA

Azets Audit Services

3Mc Middlemarch Business Park  
Siskin Drive  
Coventry  
CV3 4FJ

Dated: 15/5/21

# CRITERION THEATRE LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
<b><u>Income from:</u></b>			
Donations and legacies	3	30,842	7,858
<b><u>Charitable activities</u></b>			
Production and performances	4	17,636	42,464
Membership fees	4	4,796	4,178
Other income	4	11,896	36,037
Interest receivable	5	58	95
<b>Total income</b>		<b>65,228</b>	<b>90,632</b>
<b><u>Expenditure on:</u></b>			
Production and performance	6	9,584	19,526
Other charitable	6	48,481	59,176
<b>Net income for the year/ Net movement in funds</b>		<b>7,163</b>	<b>11,930</b>
Fund balances at 1 January 2020		339,521	327,591
<b>Fund balances at 31 December 2020</b>		<b>346,684</b>	<b>339,521</b>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# CRITERION THEATRE LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	10		277,866		269,035
<b>Current assets</b>					
Stocks	11	1,661		3,735	
Debtors	12	349		349	
Cash at bank and in hand		69,542		75,247	
		<u>71,552</u>		<u>79,331</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(2,734)</u>		<u>(8,845)</u>	
Net current assets			68,818		70,486
<b>Total assets less current liabilities</b>			<u>346,684</u>		<u>339,521</u>
<b>Income funds</b>					
Unrestricted funds			346,684		339,521
			<u>346,684</u>		<u>339,521</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 15/05/2021

  
J. Elves  
Trustee

Company Registration No. 1643977



# CRITERION THEATRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

##### Charity information

Criterion Theatre Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Berkeley Road South, Earlsdon, Coventry, West Midlands, CV5 6EF, England.

##### 1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

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

##### 1.2 Going concern

In early March 2020, the COVID-19 virus was declared a global pandemic. Business continuity, including supply chains and consumer demand across a number of industries and countries, could be severely impacted for months or more, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic.

The directors are monitoring the ever changing situation and continue to evaluate the company's ability to continue to trade on an ongoing and foreseeable basis. However, due to the uncertainty surrounding COVID-19 no adjustments have been made to these financial statements which may arise from the impact of COVID-19 on the company. Despite the unknown impact COVID-19 may or may not have on the company under normal circumstances the directors would have had a reasonable expectation that the company has adequate resources, thus the directors would have adopted the going concern basis of accounting.

##### 1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

##### 1.4 Incoming resources

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.



# CRITERION THEATRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

#### 1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% on cost
Computer equipment	33% on cost
Fixtures, fittings & equipment	15% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 1.9 Cash and cash equivalents

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

# CRITERION THEATRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### 1.10 Financial instruments

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

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

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

##### **Basic financial assets**

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

##### **Basic financial liabilities**

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

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

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

### 2 Critical accounting estimates and judgements

In the application of the charity accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# CRITERION THEATRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Donations and gifts	20,842	7,858
Government grant	10,000	-
	<u>30,842</u>	<u>7,858</u>

### 4 Charitable activities

	Production and performances	Membership fees	Other income	Total 2020	Total 2019
	£	£	£	£	£
Box office sales	16,996	-	-	16,996	40,420
Subscriptions	-	4,796	-	4,796	4,178
Drama class	640	-	-	640	2,044
Sundry receipts	-	-	510	510	-
Lottery	-	-	2,475	2,475	2,670
Bar sales	-	-	8,911	8,911	33,367
	<u>17,636</u>	<u>4,796</u>	<u>11,896</u>	<u>34,328</u>	<u>82,679</u>

### 5 Interest receivable

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Interest receivable	<u>58</u>	<u>95</u>

# CRITERION THEATRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 6 Charitable activities

	Production and performance	Other charitable	Total 2020	Total 2019
	£	£	£	£
Script costs	595	-	595	740
Wardrobe	865	-	865	1,670
Properties	1,209	-	1,209	1,087
Publicity	4,167	-	4,167	3,821
Photography	519	-	519	986
Royalties	594	-	594	6,761
Set construction	858	-	858	2,209
Lighting and sound	517	-	517	1,466
Music and bands	(46)	-	(46)	431
Sundry production costs	306	-	306	355
	<u>9,584</u>	<u>-</u>	<u>9,584</u>	<u>19,526</u>
Share of support costs (see note 7)	-	47,231	47,231	57,706
Share of governance costs (see note 7)	-	1,250	1,250	1,470
	<u>9,584</u>	<u>48,481</u>	<u>58,065</u>	<u>78,702</u>
<b>Analysis by fund</b>				
Unrestricted funds	<u>9,584</u>	<u>48,481</u>	<u>58,065</u>	
	<u>9,584</u>	<u>48,481</u>	<u>58,065</u>	
<b>For the year ended 31 December 2019</b>				
Unrestricted funds	<u>19,526</u>	<u>59,176</u>		<u>78,702</u>
	<u>19,526</u>	<u>59,176</u>		<u>78,702</u>

# CRITERION THEATRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 7 Support costs

	Support costs	Governance costs	2020	2019	Basis of allocation
	£	£	£	£	
Depreciation	16,367	-	16,367	11,916	Actual
Bar and coffee	6,179	-	6,179	15,061	Actual
Room hire	754	-	754	680	Actual
Box office costs	109	-	109	129	Actual
Hire of equipment	410	-	410	190	Actual
Waste disposal	1,396	-	1,396	1,544	Actual
Licenses	868	-	868	1,060	Actual
Rates	1,769	-	1,769	1,648	Actual
Light and heat	4,674	-	4,674	6,467	Actual
Telephone	1,816	-	1,816	1,529	Actual
Postage and stationery	62	-	62	1,167	Actual
Insurance	4,040	-	4,040	3,893	Actual
Repairs	6,636	-	6,636	7,799	Actual
Donation	-	-	-	500	Actual
Website expenses	656	-	656	1,250	Actual
Sundry expenses	1,112	-	1,112	2,311	Actual
Bank charges	369	-	369	476	Actual
Bank loan interest	14	-	14	86	Actual
Accountancy and legal	-	1,250	1,250	1,470	Actual
	<u>47,231</u>	<u>1,250</u>	<u>48,481</u>	<u>59,176</u>	
Analysed between					
Charitable activities	<u>47,231</u>	<u>1,250</u>	<u>48,481</u>	<u>59,176</u>	

### 8 Trustees

#### Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

#### Trustees' expenses

During the year, the charity reimbursed expenses to the following trustees:

A Greene £1,701 in respect of scripts and production expenses (2019 - £518)  
K Sowerby £245 in respect social activity (2019- £0)  
E Withers £0 (2019 - £297 - publicity)  
N Harratt £0 (2019 - £1,114 -royalties and publicity)  
N Firth £543 in respect social activity and maintenance (2019- £879)  
S Sharpe £675 in respect of set construction and maintenance (2019 - £249)  
J Elves £0 (2019 - £18 - wardrobe expenses)

These transactions were all conducted at arm's length.

# CRITERION THEATRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 9 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Total	-	-

### 10 Tangible fixed assets

	Land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 January 2020	228,924	3,787	153,739	386,450
Additions	-	-	25,198	25,198
At 31 December 2020	228,924	3,787	178,937	411,648
<b>Depreciation and impairment</b>				
At 1 January 2020	22,890	2,667	91,858	117,415
Depreciation charged in the year	4,578	660	11,129	16,367
At 31 December 2020	27,468	3,327	102,987	133,782
<b>Carrying amount</b>				
At 31 December 2020	201,456	460	75,950	277,866
At 31 December 2019	206,034	1,120	61,881	269,035

### 11 Stocks

	2020 £	2019 £
Raw materials and consumables	1,661	3,735

### 12 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Prepayments and accrued income	349	349

# CRITERION THEATRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 13 Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	2,734	8,845

### 14 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).