

REGISTERED COMPANY NUMBER: 09187162 (England and Wales)

REGISTERED CHARITY NUMBER: 1161483

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
KH THEATRE LIMITED**

**Calcutt Matthews WBZ Ltd
Chartered Accountants and Statutory Auditors
19 North Street
Ashford
Kent
TN24 8LF**

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for the Year Ended 31 December 2020

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We began 2020 expecting it to be a vibrant year celebrating five decades of the King's Head Theatre's ongoing operation as London's flagship fringe theatre. This wonderful legacy and the exciting future plans of the charity were celebrated at the Big Birthday Bash event in February, which was a huge success both for fundraising and in showing that the charity can successfully produce impressive events on a larger scale than are possible within its customary home of its much-loved 110-seat pub theatre. This ambition was further validated in March when the Greater London Authority confirmed a landmark £800,000 grant through the Mayor's Good Growth Fund in support of the charity's move to a custom-built new venue in Islington Square.

Sadly, soon after this incredible start to the year, it became necessary for the King's Head Theatre to shut its doors for the first time in its history, due to the public health concerns arising from the developing coronavirus pandemic. What began as a voluntary suspension of performances in the interests of protecting the health of our audiences, performers, and staff soon became a legal requirement to remain closed as the country entered lockdown. The charity owes a great deal of thanks to its landlords, Young & Co.'s Brewery, who quickly confirmed that they would not charge rent to the charity whilst the theatre remained compulsorily closed.

The staff of the charity also worked quickly and skilfully to pivot their focus to keeping audiences and artists creatively engaged through the creation of KHT Online, its first digital programme of work, which offered plentiful free content that was enjoyed by audiences from all corners of the globe. As the lockdown lengthened and many staff were placed on furlough as part of the government's Coronavirus Job Retention Scheme, the online activity was able to continue thanks to support from DCMS's Culture Recovery Fund.

Although the King's Head Theatre has not been in receipt of public funding for many years, it was a great compliment to the work of Adam Spreadbury-Maher and his team over the past decade that the charity's work was deemed to be significant enough to the national cultural landscape that Arts Council England and DCMS chose to support its ongoing survival by including it in the prestige portfolio of organisations in receipt of CRF. Specific thanks are due to Executive Director Fiona English, supported by our fundraising consultants Achates, for making the case for support so successfully to secure this vital funding.

Despite legal restrictions easing later in the year, the trustees decided that it would not be viable to reopen the theatre on a socially distanced basis, which was made even less practical whilst the pub was also running under similar restrictions of capacity and the looming threat of renewed lockdowns. The team again grasped victory from the jaws of defeat by creating an acclaimed interactive digital pantomime in co-production with Charles Court Opera, which was enjoyed by a larger audience than could have attended the seasonal show in a typical festive run at the charity's Upper Street home.

During this period of unprecedented closure, the charity's Artistic Director and CEO Adam Spreadbury-Maher reflected on his personal plans and decided to make a career change away from working in theatre, resigning his role in September. The board of trustees owe him a huge debt of thanks for the passion and commitment that he poured into rebuilding the programme, resilience, and reputation of the King's Head Theatre, including the formation of this charity to operate it, and developing productions so successful that they went onto long lives far beyond their Upper Street origins, with highlights including an Olivier Award for *La Bohème* and a lengthy off-Broadway season for *Trainspotting Live*.

Throughout this period, efforts to progress the plans and fundraising for the charity's new home in Islington Square continued, working closely with developers Cain International with huge support from Islington Council. The coronavirus pandemic and associated public health concerns have only underlined the importance of the charity moving to a modern facility to secure its long-term future.

The year concluded with the charity's current home closed due to lockdown. In such circumstances the trustees decided to delay the process of recruiting new artistic leadership until clarity about reopening and future plans could be more clearly viewed. Heather Ruck kindly agreed to step down from the board to take up the temporary freelance role of Interim Programme Director. Heather has been hugely effective in her work with Executive Director Fiona English and team to put plans in place for the reopening of the venue in 2021.

The board of trustees are indebted to the phenomenal determination and resilience of the staff team and the incredible support of donors from those giving a few pounds to those making six-figure grants, which together made it possible for the King's Head Theatre to have survived the incredible, unpredictable challenges of its fiftieth year.

James Seabright
Chair of Trustees

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trustees are pleased to present their annual report together with the consolidated financial statements of the charity for the year ending 31 December 2020, which is also a director's report for the purposes of the Companies Act 2006.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Statement of Recommended Practice- Accounting and Reporting by Charities SORP FRS 102 (effective 1 January 2019).

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 remain focused on its stated objectives.

Objectives and Activities

Our principal objectives are:

- To present ambitious theatre and opera that supports, develops and values our artists, staff, audiences and alumni.
- To be the most ethically and socially responsible fringe theatre in the UK known for its challenging work and support of young artists.
- To commit to fighting prejudice through the work we stage, the artists and staff we work with and by producing work for minority audience groups.
- To promote fair pay for all on the fringe and to create accessible routes for early career artists to stage their work.

Key Strategies and Activities

- Present a broad range of productions covering theatre, opera and musicals with accessible ticket prices at the King's Head Theatre in London.
- Offer opportunities for regular theatre goers to see new work and revivals of work that have not been staged in the UK before.
- Employ talented emerging artists and provide a supportive environment for them to develop their craft and advance their careers.
- Provide training programmes for emerging directors and producers and support for their continuing professional development.
- To take a leadership role in getting the industry to follow our commitment to fair wages on the fringe and only staging work which agrees to pay fair wages.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

I. In-House Productions

In 2020, the King's Head Theatre (KHT) saw the biggest upheaval in its history as a result of the global covid-19 pandemic.

Tom Wright's *Undetectable*, with the original cast and creative team returning to the King's Head, was the only in-house production in 2020 that completed its run in full as originally planned.

The Charles Court Opera co-production of Gilbert & Sullivan's *Iolanthe*, only performed three preview performances before being forced to close. A cast recording of the production is being made by Charles Court Opera, in association with the King's Head Theatre, for 2021. CCO have also made plans to produce a revised outdoor touring version for summer 2021.

The world premiere of our 2019 Adrian Pagan Award winning play, *No Strings Attached* by Charles Entsie, was cancelled and rescheduled to 2021.

A brand new English version of Verdi's *Aida*, directed by Adam Spreadbury-Maher was cancelled and will not now be performed.

The annual pantomime with Charles Court Opera was re-imagined and became *Snow White in the 7 Months of Lockdown*, a digital only production with a 'choose your own adventure' interactive element.

II. Elsewhere

A second run for the revival of Kevin Elyot's *Coming Clean* directed by King's Head Theatre Artistic Director Adam Spreadbury-Maher took place at Trafalgar Studios 2 in January. The original cast and creative team returned again with Jonah Rzeskiewicz taking over the role of Robert from Tom Lambert. The production was produced in the West End by the King's Head Theatre, Making Productions and RGM Productions in association with DeVere Productions and received further critical acclaim.

For the first time in the King's Head Theatre's recent history the theatre premiered an entirely new production away from its home on Upper Street entitled *Opera Undone: Tosca + La bohème*. Developed over several rehearsal weeks and preview performances in 2019, *Opera Undone* embodied a crucial artistic endeavour of KHT, which is to reconsider how opera is developed, where it is performed and who it is for. This new double-bill featured two new 60 minute productions of these operas performed in English by three singers and one musician with minimal prop, set and costume requirements and separated only by an interval. Starring Honey Rouhani (*La Bohème*) Fiona Finsbury (*The Secret Garden*), Roberto Barbaro, Roger Paterson (*Carmen*), Philip Lee (*The Mikado*), Hugo Herman Wilson and Michael Georgiou (*Tosca*). The production was directed by King's Head Theatre Artistic Director Adam Spreadbury-Maher and featured musical direction by David Eaton, design by Amanda Mascarenhas, and lighting design by Nic Farman. This double bill was produced by the King's Head Theatre, Making Productions, RGM Productions and Suzanne Jones in association with DeVere Productions.

III. Visiting Productions

Our programme of in-house productions is complemented by work from visiting theatre companies. In 2019, 90 visiting productions were programmed by KHT, with runs ranging from single performances to full four week seasons.

Jew..ish produced by Zoe Weldon for Unleash the Llama received a host of ★★★★★ and ★★★★★ reviews in January. A second longer run was scheduled for spring/summer but later cancelled due to the pandemic. A filmed digital version of the production is planned for KHTV in early winter 2021.

Falling In Love Again by Ron Elisha, author of *The Soul of Wittgenstein*, was performed at the theatre through January and into February. *Happily Ever Poofster*, a queer musical fairytale parody, created by Rich Watkins (*Tickle - the Musical*) was the late night production.

South-West based production company Living Spit performed their first full London run ever at the King's Head Theatre with their show *The Six Wives of Henry VIII*.

Naked Boys Singing, produced by Lambco Productions and Peter Bull, was unfortunately cancelled during preview performances. The same production team were also due to put on a production of *Bathhouse - the Musical* in the summer which had to be cancelled too.

For Queen and Country, originally scheduled for March/April 2020, will now take place November 2021.

IV. Equity and Fair Employment

The King's Head Theatre remains committed to fair employment and has a fantastic relationship with Equity, the UK's largest trade union for the performing arts. We are proud to be one of the very few small scale unfunded theatres in the UK to have an Equity House Agreement. This has been in place since 2011, at which point it was the first agreement of its kind. Since then, over 300 venues and production companies have signed up to the agreement, which has brought more than £2.75 million in wages to actors and stage managers.

"The King's Head Theatre is leading the way for fringe theatre in acknowledging that they not only have a legal responsibility to pay National Minimum Wage and respect other workers' rights, but also that the industry expects them to work with artists through their union, Equity. Our agreement is a substantial beginning to improving the working lives of artists at the King's Head Theatre and has put us solidly on the way to creating a fairer fringe"

Paul W Fleming, London Area Theatre Organiser, Equity

V. Gender and Equality Policy

In 2018 the King's Head Theatre implemented a Gender and Equality Policy, furthering our aim to lead the way in making equitable fringe theatre.

With immediate effect, we committed to working annually with:

- 50% non-male artists & creatives
- Offer at least 50 hours a year to mentoring and helping emerging companies and championing ethical employment.

While our plan was originally to implement the below figures by 2021, with the pandemic and the stilted eighteen months of productions, we will re-examine these benchmarks for 2022.

Our proposed 2022 benchmarks for creative teams are:

- 50% non-male artists & creatives
- 50% non-male playwrights
- 10% non-white British
- 65% under 35
- 10% deaf and disabled by 2024
- Offer at least 50 hours a year to mentoring and helping emerging companies and championing ethical employment

VI. Islington Square Project

In 2018, the King's Head Theatre announced its proposals, subject to a successful fundraising campaign, to move into a new venue with significantly more facilities as part of the Islington Square redevelopment project. The new venue is expected to include a 250-seat auditorium, an 85-seat studio and a dedicated bar and foyer area. The new box office

will be at ground level, accessed via the Grade II listed former post office, immediately neighbouring our current location.

In March 2019, the King's Head Theatre was awarded £800,000 from the Good Growth fund by the Greater London Authority. This grant accounts for 23% of the £3.5m raise and therefore was a significant step forward in our fundraising support.

In 2020, we secured the following funding for the project.

- Ernest Hecht Charitable Foundation - £5,000
- Foyle Foundation agreed to £15,000 being able to be drawn down instantly due to the pandemic with £85,000 to draw down once we break ground

On February 9 2020, we hosted a gala evening - titled the Big Birthday Bash to mark our 50th anniversary - at Porchester Hall at which we raised £78,356 for the capital campaign.

VII. Trainee Resident Director's Scheme

Our Trainee Resident Director's Scheme aims to provide our trainees with the vocational skills needed to direct, produce and manage their work in a professional context. The intake structure has been adapted and the scheme lengthened where necessary to allow all trainees to be given the equivalent of 12 months experience in residence at the King's Head Theatre.

The course components can be broken down as follows:

- Assistant directing placements on in-house and visiting productions.
- Assistant producing placements on in-house productions.
- Weekly seminars with external industry professionals, covering all aspects of the theatre industry.
- Mentoring and feedback sessions with the Artistic Director, Executive Director and Producer.
- A publicly acknowledged Junior Associate credit after finishing the course, allowing them to use and continue their relationship with us after graduating.
- The opportunity to pitch a production of their choosing to the Artistic Director after graduating.

The Trainee Director who have graduated in 2020:

- **Aran Cherkez** joined the scheme in March 2019. He was Assistant Director to Adam Spreadbury-Maher for the Petersham Nurseries preview performances of *Opera Undone: Tosca*, to Jamie Armitage for *Southern Belles* and to Alexander Lass on David Hare's *The Permanent Way* at the Vaults. He worked as an Associate Producer on *Playmill* and assisted Alexander Hick on the Trafalgar Studios 2 season of *Coming Clean*.

The following Trainee Directors had changed made to their courses as a result of the pandemic.

- **Gemma Orleans-Thompson** joined the scheme in October 2019, having spent a year with us as a Creative Access Trainee. She was Assistant Director to Hannah Noone on *The Elixir of Love* before leaving the scheme in early 2020.
- **Amber Sinclair-Case** joined the scheme in October 2019. She worked as the Assistant Director to Rikki Beadle-Blair on the 2020 season of *Undetectable*. Her time as a Trainee Resident Director was extended throughout 2020.
- **Matt Strachan** joined the scheme in October 2019. He was Assistant Director to John Savournin on *The Nativity Panto*. His time as a Trainee Resident Director was extended throughout 2020.

Following success in two rounds of interviews and a hands-on session directing actors, the following two Trainee Directors were appointed in early 2020.

- Monty Leigh
- Ella Murdoch

VIII. Audiences

8,945 audience members attended a performance at the King's Head Theatre between 1 January - 16 March 2020. The theatre was forced to close to the public for the remainder of the year due to the pandemic.

A further 1,648 tickets were sold for the online production of *Snow White in the Seven Months of Lockdown* but as tickets were sold on a per household basis, the total viewership is likely to be significantly higher. The production was co-produced with Charles Court Opera who filmed the performance at Riverside Studios in November 2020. We were delighted to be able to make the production available globally and had viewers from as far away as the USA, Canada and Hong Kong. We also received £2,250 through our partnership with Islington Council funding from their Community Infrastructure Levy which enabled us to additionally give complimentary tickets to those in our local community who would not have otherwise had the opportunity to access the performance.

IX. Fundraising

An incredible £133,691 was raised from 1,733 patron donations in 2020. We also received funding from the DCMS Emergency Response Fund in the second quarter of 2020. In October 2020, the charity was awarded an additional £245,000 from the DCMS as part of the Culture Recovery Fund.

In 2020, we secured the following funding for core support:

- Arts Council: £255,500
- OAK Foundation: £15,400
- S&J Fogel Charitable Trust: £250
- Islington Council: £2,250
- Foyle Foundation: £15,000

X. Staff Team

After 10 years at the King's Head Theatre, Artistic Director and Chief Executive Officer, Adam Spreadbury-Maher stepped down in September 2020. In his role as Artistic Director, the Australian-born former opera singer introduced the first agreement with Equity for actors and stage managers to be paid a legal wage on the Fringe in 2011 and has been a vocal spokesperson for ethical employment. During his tenure, he has put on over 1,000 performances and as co-founder of OperaUpClose, introduced new audiences to the art form. Adam is a queer theatre-maker who has also long championed new work and revivals by and about the LGBTQIA+ community, for which the King's Head Theatre serves as an important hub. Whilst recruitment takes place for a new Artistic Director, programming will be overseen by King's Head Theatre Trustee, Heather Ruck (former Programme Director, Assembly Festival) working alongside the staff team, led by Fiona English who took on Adam's previous responsibilities as Chief Executive Officer.

In order to ensure KHT's survival during the unprecedented period of uncertainty of the global pandemic, the majority of the staff team were furloughed at the end of March 2020, with the UK government subsidising salaries each month. This enabled the charity to avoid making any redundancies during 2020. Shaadi Khosravi-Rad and Leila Nashef, who were employed via Creative Access, continued to work on a full-time basis throughout the year for the theatre. As a result Shaadi Khosravi-Rad became acting Marketing Manager and KHT Online Producer and Leila Nashef was given the title of acting Office Manager and Campaign Coordinator. From November 2020 the majority of the team had moved onto a flexi-furlough part-time working basis with Shaadi Khosravi-Rad now becoming Marketing Officer and Leila Nashef Operations Coordinator.

Ike Denloye was promoted from Development Assistant to Development Officer in January 2020 before departing us in September 2020 to recommence her university studies.

FINANCIAL REVIEW

Financial position

Income	The total income for the period was £944,799
Voluntary Income	We received £130,594 from sign ups to our membership scheme, individual donations online. We received an additional £7,077 from on the door donations.
Theatre and Production Income	We had income of £121,428 from ticket sales and merchandise sales, alongside hiring the venue to visiting companies.
Cost of Charitable Activities	The total expenditure for the period was £685,883.

Investment policy and objectives

The trustees, having regard to the liquidity requirements of operating the theatre, have kept available funds in an interest-bearing deposit account and seek to achieve a rate on deposit which matches or exceeds inflation as measured by the retail prices index.

Reserves policy

The trustees had 7 months of operating reserves in place by the end of 2020 with £414,615 of unrestricted reserves available & total reserves of £631,255.

There are no concerns regarding the charity's ability to continue to operate.

FUTURE PLANS

Following the departure of the Chief Executive Officer and Artistic Director Adam Spreadbury-Maher, the primary focus for the charity will be to recruit new Artistic Director/s in 2021 to carry forward the inclusive vision of London's first pub theatre.

Once the appointment/s have been made and have taken up their role/s the next priority will be to recruit new trustees to the board following the resignation of Tahmid Chowdhury and departure of Heather Ruck to become Interim Programme Director at the theatre.

In their role as Interim Programme Director, Heather will be overseeing the programming for the theatre through 2021, initially online and then through to the reopening plans for in-person performances back at our Upper Street home. A festival season of shows to be filmed for online streaming purposes has been planned for Spring 2021, initially entitled KHTV. This will see productions that were cancelled from 2020 such as *Jew...ish* being filmed for digital release. It will also give the theatre the opportunity to support and develop other visiting companies and artists who have not had the opportunity to perform in over a year.

With restrictions on live performances likely to continue until the summer, the theatre will endeavour to find innovative ways in which to put on live performances. The theatre is in consultation with strategic partners Islington Square to secure a large space that could be made into a site-specific venue that is compliant with all social distancing requirements. *No Strings Attached*, an in-house production that was cancelled from 2020, has been sounded out as a possible production to premiere in this way.

Further plans for the year include a return for our festival of new writing shows - Playmill and our popular summer Queer Season. An autumn opera, likely to be a new show in association with the cabaret and drag artist Le Gateau Chocolat, is planned to take the place of *Aida*. A new high profile contemporary play revival and the return of Charles Court Opera to the venue for a new boutique pantomime are also on the slate.

As the theatre plans to return to a more normal production routine for the autumn all staff will come off of flexi-furlough. Roles such as Development Officer will need to be recruited for, or the role restructured, ahead of recommencing the capital campaign to ensure that the final fundraising push is secured and that work can commence on the new venue in Islington Square for 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Anti-Racism Commitment

During 2020, we saw a global explosion of anger at systemic racism, triggered by the brutal murder of George Floyd. The King's Head Theatre has always fostered diversity and inclusion, and now, more than ever, we stand with the Black Lives Matter movement.

The King's Head Theatre must be a home for everyone to feel welcome to tell their stories and for us collectively, to change our world for the better. To all our artists, audiences, staff and community across the world, know that we will not tolerate racism in any form. We will reflect that in everything we do. And while our doors may currently be shut, we commit anew to reflecting and protecting our exceptional and diverse society.

Today and always, we stand with our Black colleagues and with our community as we fight for a more equal world. We committed that going forward we will spend 1% of staff salaries on anti-racism work and will ensure that in the future we report on our diversity of our staff team and Board to ensure we are transparent about the make up of the King's Head Theatre. We will run regular training to ensure our team remains committed to being more inclusive than ever and to ensure that going forward we can be a truly equal place to work.

Governing document

KH Theatre Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 24th September 2014. The current members of the company are the Trustees. The liability of the members of the company is limited by guarantee. In the event of the company being wound up during the period of membership or within the year following, members are required to contribute an amount not exceeding £1. There were 7 members as at December 31st 2020. These members are detailed on page 10. The Trustees did not receive any benefits in the year.

Recruitment and appointment of new trustees

Any Trustee is entitled to nominate people for board membership and names go forward to be approved by the Board of Trustees.

The Trustees represent a core of specialist skills, including but not limited to arts administration, programming and producing, international law, technical theatre production and HR. An essential requirement is a passion for theatre generally and the work of KH Theatre Limited particularly, and a desire to increase access to theatre and the diversity of its audience.

In 2021 we will be looking to expand the board by appointing a board member with a background in marketing.

Organisational structure

The Board of Trustees over-see and is responsible for the administration of the company. The board meets four times during the year. The Artistic Director and Chief Executive Officer are appointed by the Trustees with delegated authority to manage the day to day operations of the company.

Induction and training of new trustees

Potential new board members are given the opportunity to meet the Chair and Artistic Director and Chief Executive Officer before being invited to meet the full Board of Trustees and observe a board meeting.

Key management remuneration

The Trustees consider the Board of Trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year.

Risk management

The Trustees continue to review the major risks to which the Charity is exposed, and are establishing systems to mitigate any risks not already covered by the Charity's existing systems and risk management strategies and controls. Particular current key risks include:

- Vulnerability to drops in generated and voluntary income. The charity is especially vulnerable to this in this period when our reserves are not yet at the level the trustees have deemed desirable.
- Changes in the political climate, cultural policies and economic health of the country that may have a negative impact on KH Theatre Limited and the arts organisations, artists, audiences and participants that it works with.
- Future departures of key members of staff, a risk which is monitored.
- Competitor organisations entering our market space.
- Theatre companies and venues being under threat in terms of reduced income from Arts Council England, local authorities, other funders and audiences, potentially resulting in less income or increased contra costs for the company.

The Trustees regularly monitor these risks, their consequences and appropriate ways to respond. The Trustees note that a key element in the management of financial risk is the setting of a reserves policy and its regular review by the Trustees.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

09187162 (England and Wales)

Registered Charity number

1161483

Registered office

115 Upper Street
London
N1 1QN

Trustees

Mary Lauder
Amanda Moulson
Heather Ruck (resigned 20.10.20)
James Seabright
Molly Waiting
Richard Williamson
Tahmid Chowdhury (resigned 20.10.20)
Amanda Mascarenhas
Kate Farrell (appointed 24.2.20)

Key Management

Adam Spreadbury-Maher	Artistic Director & Chief Executive Officer (until 01/09/2020)
Fiona English	Executive Director & Chief Operating Officer (until 01/09/2020)
	Executive Director & Chief Executive Officer (from 01/09/2020)

Auditors

Calcutt Matthews WBZ Ltd
Chartered Accountants and Statutory Auditors
19 North Street
Ashford
Kent
TN24 8LF

Bankers

Metrobank
1 Southampton Row
London
WC1B 5HA

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of KH Theatre Limited for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

AUDITORS

The auditors, Calcutt Matthews WBZ Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

21 December 2021

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



.....
James Seabright – Chair of Trustees

Opinion

We have audited the financial statements of KH Theatre Limited (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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.



Nicholas Hume (Senior Statutory Auditor)
for and on behalf of Calcutt Matthews WBZ Ltd
Chartered Accountants and Statutory Auditors
19 North Street
Ashford
Kent
TN24 8LF

Date:22.12.2021.....

STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2020

	Notes	Unrestricted fund £	Restricted fund £	31.12.20 Total funds £	31.12.19 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	161,784	52,271	214,055	512,128
Charitable activities	4				
Encouragement of the Arts		590,143	-	590,143	534,412
Investment income	3	878	-	878	500
Other income		<u>139,723</u>	<u>-</u>	<u>139,723</u>	<u>-</u>
Total		892,528	52,271	944,799	1,047,040
EXPENDITURE ON					
Raising funds	5	35,848	-	35,848	36,718
Charitable activities	6				
Encouragement of the Arts		650,035	-	650,035	925,987
Total		<u>685,883</u>	<u>-</u>	<u>685,883</u>	<u>962,705</u>
NET INCOME		206,645	52,271	258,916	84,335
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>207,970</u>	<u>164,369</u>	<u>372,339</u>	<u>288,004</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>414,615</u></u>	<u><u>216,640</u></u>	<u><u>631,255</u></u>	<u><u>372,339</u></u>

The notes form part of these financial statements

BALANCE SHEET
31 December 2020

	Notes	Unrestricted fund £	Restricted fund £	31.12.20 Total funds £	31.12.19 Total funds £
FIXED ASSETS					
Intangible assets	11	3,622	-	3,622	720
Tangible assets	12	<u>87,252</u>	<u>-</u>	<u>87,252</u>	<u>94,393</u>
		90,874	-	90,874	95,113
CURRENT ASSETS					
Debtors	13	234,933	20,000	254,933	225,973
Cash at bank and in hand		<u>134,837</u>	<u>196,640</u>	<u>331,477</u>	<u>177,634</u>
		369,770	216,640	586,410	403,607
CREDITORS					
Amounts falling due within one year	14	(46,029)	-	(46,029)	(126,381)
NET CURRENT ASSETS		<u>323,741</u>	<u>216,640</u>	<u>540,381</u>	<u>277,226</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>414,615</u>	<u>216,640</u>	<u>631,255</u>	<u>372,339</u>
NET ASSETS		<u>414,615</u>	<u>216,640</u>	<u>631,255</u>	<u>372,339</u>
FUNDS	15				
Unrestricted funds				414,615	207,970
Restricted funds				<u>216,640</u>	<u>164,369</u>
TOTAL FUNDS				<u>631,255</u>	<u>372,339</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 21 December 2021..... and were signed on its behalf by:



James Seabright – Chair of Trustees

CASH FLOW STATEMENT
for the Year Ended 31 December 2020

	Notes	31.12.20 £	31.12.19 £
Cash flows from operating activities			
Cash generated from operations	1	<u>156,290</u>	<u>43,114</u>
Net cash provided by operating activities		<u>156,290</u>	<u>43,114</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(3,325)	(1,437)
Interest received		<u>878</u>	<u>500</u>
Net cash used in investing activities		<u>(2,447)</u>	<u>(937)</u>
Change in cash and cash equivalents in the reporting period		153,843	42,177
Cash and cash equivalents at the beginning of the reporting period		<u>177,634</u>	<u>135,457</u>
Cash and cash equivalents at the end of the reporting period		<u><u>331,477</u></u>	<u><u>177,634</u></u>

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.20 £	31.12.19 £
Net income for the reporting period (as per the Statement of Financial Activities)	258,916	84,335
Adjustments for:		
Depreciation charges	7,698	8,122
Interest received	(878)	(500)
Theatre Tax Credit	(49,087)	-
Decrease/(increase) in debtors	19,993	(106,465)
(Decrease)/increase in creditors	<u>(80,352)</u>	<u>57,622</u>
Net cash provided by operations	<u>156,290</u>	<u>43,114</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20 £	Cash flow £	At 31.12.20 £
Net cash			
Cash at bank and in hand	<u>177,634</u>	<u>153,843</u>	<u>331,477</u>
	<u>177,634</u>	<u>153,843</u>	<u>331,477</u>
Total	<u>177,634</u>	<u>153,843</u>	<u>331,477</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

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.

Allocation and apportionment of costs

Support costs are allocated 100% to charitable activities along with all wages and salaries.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

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

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

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

2. DONATIONS AND LEGACIES

	31.12.20	31.12.19
	£	£
Donations	208,701	274,690
Visiting Productions Rental Income	2,474	237,438
Membership and Sponsorship	<u>2,880</u>	<u>-</u>
	<u>214,055</u>	<u>512,128</u>

3. INVESTMENT INCOME

	31.12.20	31.12.19
	£	£
Interest receivable - trading	<u>878</u>	<u>500</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31.12.20	31.12.19
	£	£
	<u></u>	<u></u>
Ticket Sales	243,517	514,092
Friends Scheme	1,080	3,875
Merchandise	2,846	21,381
Booking Fees	18,334	36,885
Grants	317,900	-
Gift Aid	<u>6,466</u>	<u>(41,821)</u>
	<u>590,143</u>	<u>534,412</u>

Grants received, included in the above, are as follows:

	31.12.20	31.12.19
	£	£
Arts Council England	280,000	-
OAK Foundation	15,400	-
S&J Fogel Charitable Trust	250	-
Ernest Hecht Charitable Foundation	5,000	-
Foyle Foundation	15,000	-
Islington Council	<u>2,250</u>	<u>-</u>
	<u>317,900</u>	<u>-</u>

5. RAISING FUNDS**Raising donations and legacies**

	31.12.20	31.12.19
	£	£
Fundraising	<u>14,760</u>	<u>28,312</u>

Other trading activities

	31.12.20	31.12.19
	£	£
Purchases	<u>21,088</u>	<u>8,406</u>
Aggregate amounts	<u>35,848</u>	<u>36,718</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 7) £	Totals £
Encouragement of the Arts	<u>263,272</u>	<u>386,763</u>	<u>650,035</u>

7. SUPPORT COSTS

	Management £	Finance £	Information technology £	Human resources £	Totals £
Encouragement of the Arts	<u>353,063</u>	<u>32,772</u>	<u>660</u>	<u>268</u>	<u>386,763</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.20	31.12.19
	£	£
Depreciation - owned assets	7,275	8,032
Hire of plant and machinery	1,804	3,344
Other operating leases	15,544	46,800
Development costs amortisation	<u>423</u>	<u>90</u>

9. 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

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

10. STAFF COSTS

	31.12.20	31.12.19
	£	£
Wages and salaries	290,800	299,813
Social security costs	<u>17,179</u>	<u>17,605</u>
	<u><u>307,979</u></u>	<u><u>317,418</u></u>

The average monthly number of employees during the year was as follows:

	31.12.20	31.12.19
Staff	<u><u>12</u></u>	<u><u>12</u></u>

No employees received emoluments in excess of £60,000.

11. INTANGIBLE FIXED ASSETS

	Development costs £
COST	
At 1 January 2020	900
Additions	<u>3,325</u>
At 31 December 2020	<u>4,225</u>
AMORTISATION	
At 1 January 2020	180
Charge for year	<u>423</u>
At 31 December 2020	<u>603</u>
NET BOOK VALUE	
At 31 December 2020	<u><u>3,622</u></u>
At 31 December 2019	<u><u>720</u></u>

12. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2020	97,487	16,949	5,388	5,501	125,325
Additions	<u>-</u>	<u>-</u>	<u>134</u>	<u>-</u>	<u>134</u>
At 31 December 2020	<u>97,487</u>	<u>16,949</u>	<u>5,522</u>	<u>5,501</u>	<u>125,459</u>
DEPRECIATION					
At 1 January 2020	12,564	12,726	3,274	2,368	30,932
Charge for year	<u>4,874</u>	<u>1,055</u>	<u>562</u>	<u>784</u>	<u>7,275</u>
At 31 December 2020	<u>17,438</u>	<u>13,781</u>	<u>3,836</u>	<u>3,152</u>	<u>38,207</u>
NET BOOK VALUE					
At 31 December 2020	<u>80,049</u>	<u>3,168</u>	<u>1,686</u>	<u>2,349</u>	<u>87,252</u>
At 31 December 2019	<u>84,923</u>	<u>4,223</u>	<u>2,114</u>	<u>3,133</u>	<u>94,393</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20 £	31.12.19 £
Trade debtors	7,034	23,980
Amounts owed by group undertakings	203,951	144,949
Other debtors	42,000	51,667
Prepayments	<u>1,948</u>	<u>5,377</u>
	<u>254,933</u>	<u>225,973</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20 £	31.12.19 £
Trade creditors	5,228	15,389
Social security and other taxes	4,544	5,179
VAT	1,173	14,828
Other creditors	20,803	38,730
Accruals and deferred income	<u>14,281</u>	<u>52,255</u>
	<u>46,029</u>	<u>126,381</u>

15. MOVEMENT IN FUNDS

General Fund

All funds are unrestricted and comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

16. RELATED PARTY DISCLOSURES

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' not to disclose related party transactions with wholly owned subsidiaries within the group.

Seabright Productions Ltd

Coproduction services totalling £7346.13 (2019; £3261) were provided by Seabright Productions Ltd during the year. James Seabright is the sole director of this company. He is also the Chair of the Board of Trustees for KH Theatre Ltd.

At 31 December 2020, no amounts were outstanding between the charity and Seabright Productions Ltd.

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2020

	31.12.20 £	31.12.19 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	208,701	274,690
Visiting Productions Rental Income	2,474	237,438
Membership and Sponsorship	<u>2,880</u>	<u>-</u>
	214,055	512,128
Investment income		
Interest receivable - trading	878	500
Charitable activities		
Ticket Sales	243,517	514,092
Friends Scheme	1,080	3,875
Merchandise	2,846	21,381
Booking Fees	18,334	36,885
Grants	317,900	-
Gift Aid	<u>6,466</u>	<u>(41,821)</u>
	590,143	534,412
Other income		
JRS Grant	<u>139,723</u>	<u>-</u>
Total incoming resources	944,799	1,047,040
EXPENDITURE		
Raising donations and legacies		
Fundraising	14,760	28,312
Other trading activities		
Purchases	21,088	8,406
Charitable activities		
Actor & Technician Wages	5,043	15,943
Literary Resources	51	24
Commissions	234,081	451,864
Box office costs	<u>24,097</u>	<u>24,791</u>
	263,272	492,622
Support costs		
Management		
Wages	290,800	299,813
Carried forward	290,800	299,813

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2020

	31.12.20 £	31.12.19 £
Management		
Brought forward	290,800	299,813
Social security	17,179	17,605
Hire of plant and machinery	1,804	3,344
Rent	15,544	46,800
Repairs and Maintenance	1,778	4,250
Insurance	3,064	1,953
Travel and Subsistence	7,744	8,906
Telephone	1,920	2,605
Postage and stationery	1,478	1,837
Advertising	10,006	9,042
Sundries	128	805
Recruitment	-	1,286
Fixtures and fittings	562	705
Computer equipment	<u>1,056</u>	<u>1,408</u>
	353,063	400,359
Finance		
Accountancy	15,889	11,767
Auditor Fees	1,397	1,397
Bank charges	149	255
Professional Consultancy	4,602	1,803
Credit and other charges	4,655	9,741
Development costs	423	90
Freehold property	4,874	4,874
Computer equipment	<u>783</u>	<u>1,045</u>
	32,772	30,972
Information technology		
Computer Expenses	660	1,011
Human resources		
Training	<u>268</u>	<u>1,023</u>
Total resources expended	<u>685,883</u>	<u>962,705</u>
Net income	<u>258,916</u>	<u>84,335</u>