

REGISTERED COMPANY NUMBER: 09187162 (England and Wales)
REGISTERED CHARITY NUMBER: 1161483

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
KH THEATRE LIMITED

Calcutt Matthews WBZ Ltd
19 North Street
Ashford
Kent
TN24 8LF

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for the Year Ended 31 December 2021

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CHAIRMAN'S REPORT

for the Year Ended 31 December 2021

Following over nine months of the King's Head Theatre being closed in 2020 as a result of the covid pandemic, it was unfortunate that ongoing restrictions led to our Upper Street home remaining closed to the public throughout the first half of 2021, although the charity continued to engage audiences through excellent digital work during the prolonged shutdown. Still, I was delighted to be among the first audience to see a show in the venue as the Playmill festival reopened the venue in July 2021.

It was also a pleasure in the summer to see the Adrian Pagan award winning play No Strings Attached at the pop-up venue created at Islington Square thanks to the generosity of our neighbours and future landlords Cain. Going from having no venues open to running two was handled with characteristic aplomb by the wonderful and dedicated staff team of the charity, who have pressed ahead with reopening and programming the venue despite there being no artistic director in post following Adam Spreadbury Maher leaving in 2020 and the delay to recruiting his replacement.

During 2021 the trustees interviewed a wide range of applicants for the role of Artistic Director and Chief Executive, and were delighted to appoint world-renowned playwright Mark Ravenhill and acclaimed director/producer Hannah Price to the roles in a job-share arrangement, bringing complementary experience and skills to the future of the charity as we work towards moving to our bespoke new Islington Square home. I look forward to working with them both and welcome the strength of their vision and commitment to the future of the charity.

All of the many challenges of the year were made more practical for the charity to endure thanks to continued support from the Culture Recovery Fund distributed by Arts Council England on behalf of DCMS. Although overall the charity saw its reserves reduce during the year due to the challenging trading conditions arising from covid, it is clear that without the CRF support it would have not been possible to continue operating.

Securing CRF funds in all three distributions was one of the signature achievements of the charity's outgoing Executive Director Fiona English, to whom the trustees owe a debt of gratitude for her five years of service to the King's Head Theatre. We all wish her well with her future endeavours.

As we emerge from the covid pandemic, it is becoming increasingly clear that audiences expect even their fringe theatres to offer modern and comfortable facilities, and with that in mind the trustees continue to strive towards the long-held goal of moving the charity's operations into a custom-built new home in Islington Square within the coming years. We appreciate the ongoing phenomenal support and patience from Cain International, Youngs, Islington Council and our dedicated band of members and regular patrons as we move ever closer to achieving the ambitious goal, which I believe will secure the future of the King's Head Theatre for many years to come, following its groundbreaking five decades at its current address.

Given the delays arising from covid to the new venue progressing, I have been happy to accept the board's invitation to remain in post as chair of trustees past my original six year term, and look forward to working with staff team, partners and fellow trustees to deliver the new home for the charity.



James Seabright
Chair of Trustees

OBJECTIVES AND ACTIVITIES

The Trustees are pleased to present their annual report together with the consolidated financial statements of the charity for the year ending 31 December 2021, 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 2015).

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

Productions

In 2021, the King's Head Theatre (KHT) continued facing challenges as a result of Covid-19, with overall ticket sales for the year at 20% of their pre-pandemic levels. Despite ongoing closures and lockdowns, the charity still *produced All That, Iolanthe* and *Liminal*. It also premiered the 2019 winner of the Adrian Pagan Award *No Strings Attached* by Charles Entsie, which was presented in a special off-site venue "The Ignition Room" created in partnership with our neighbours at Islington Square.

The annual *Playmill* season of new work returned with *Dance, The Octopus, Amphibian, Seeking Arrangement, Badgers Can't Be Friends, Screen 9, Threesome, Beard*. *Playmill* played to 621 audience members.

August's *Queer Season* was also able to go ahead with *Wilde Without the Boy, After the Silence, Mating in Captivity, Death & Dancing, Tell me Straight* which had 958 audience members.

The pantomime co-produced with Charles Court Opera this year was *Beowulf*, the production unfortunately lost some performances to Covid and did not breakeven. But 2,022 audience members were still able to see the production despite the closures.

Digital Work

We continued some of the digital projects started in 2020, specifically KHTV, with productions of *Illusions of Liberty, Jew...Ish, Vespertilio, I wish my life were like a musical* and *Sacrament*.

652 households engaged with KHTV, with a further 69 purchasing a Plays on Film Pass which enabled them to watch multiple plays from home in the season.

Visiting Productions

Our programme of in-house productions and seasons are complemented by work from visiting theatre companies. In 2021, there were 6 visiting productions including *Tender Napalm* by Phillip Ridley produced by Zoe Weldon for Lidless Theatre.

The production received a host of ★★★★★ and ★★★★★ reviews, and was our second most attended play of 2021 after our pantomime.

Other productions include *Everything is Absolutely Fine, In the Shadow of the Black Dog, The Grand, Clean at 17, Buffy-Revamped*, and *For Queen and Country*.

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.

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.

As the sector continues to recover from the pandemic, and responds to a changing sector, it is clear we need to re-define some of these benchmarks set in 2018. Our new focus will be on providing more opportunities for theatre-makers to present their own work, outside of traditional definitions and structures of play-making.

We will be working to becoming an almost exclusively LGBTQ+ venue (80% of our work will be shows for, by and/or about members of the LGBTQ+ community) by 2023. And as a result a key focus will be on ensuring fair representation within the community. In 2022 we will aim for at least 51% of our work to be LGBTQ+ led but also led-by artists who are predominantly;

- Female, Non-Binary or Non-Cisgendered (51%)
- Lesbian & Bisexual (30%)
- People of the Global Majority (10%)
- Disabled (10%)
- Working Class Led (10%)
- Under 35 (65%)

Islington Square Project

Planning and fundraising towards the King's Head Theatre moving into a custom-built new venue at Islington Square continued, with valuable ongoing support from developers Cain, our current landlords Youngs, and Islington Council. The charity anticipates being in a position to set out a refreshed timeline for the project in 2022 reflecting changes to the scheme design that have arisen from changes to the footprint which the charity was made aware of during the covid closure period.

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 was put on hold in 2021 to allow all previous trainees who had been impacted by the pandemic the opportunity to gain the equivalent of 12 months experience in residence.

In 2021 those Trainee Resident Directors were Monty Leigh and Ella Murdoch who were appointed in 2020. 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 programme was heavily focussed on vocational approaches to training, which practically culminated in a lot of assistant and associate directorships opportunities.

However, as the sector recovers from the pandemic it is clear that the programme needs to adjust to allow greater flexibility for TRD's to earn income through and around the course, a renewed focus on building sustainable careers and providing professional opportunities, and a refocus to new structures of theatre-making. The charity will therefore be taking a period of consultation and reflection on the project before resuming it as it was at pre-pandemic levels.

Audiences

10,330 audience members attended a performance at the King's Head Theatre between 1 January - 31st December 2021, around lockdowns and closures which impacted many weeks of the year.

REPORT OF THE TRUSTEES
for the Year Ended 31 December 2021

6.9% of that audience interacted with the Kings Head Theatre via our digital streams.

The average ticket price for the year was £18.72, ensuring that our shows were able to be enjoyed by the broadest demographics.

14% of our audiences were under the age of 30, and more than 20% of our audiences came from an N postcode, 9.7% specifically with an N1 postcode.

Fundraising

Donations received from our Christmas Fund and Support The Kings Head fund online totalled £13,866 in 2021, which at 15% of their pre-pandemic levels were in line with the overall reduction in ticket sales for the year.

A further £5,928 came from our membership programme. 14% of our ticket buyers also donated or held a membership in 2021, totalling 799 patrons.

We also received grants from the DCMS Cultural Recovery Fund and Islington Council.

Staff Team

In 2021 the artistic programme was overseen by former trustee Heather Ruck on an interim basis whilst the charity recruited for new artistic leadership. In October 2021, the trustees appointed Mark Ravenhill and Hannah Price as joint-artistic directors and Chief Executives alongside Fiona English who continued in her role as Executive Director and Chief Executive Officer until December 2021.

Mark Ravenhill is one of the most widely performed and renowned British playwrights of the late 20th and 21st centuries. Mark is mostly known for his 1996 play *Shopping & Fucking*, *Some Explicit Polaroids* and *Mother Clap's Molly House*. Mark's early work especially had a focus on Queerness and he intends on building Kings Head Theatre as a hub for LGBTQIA+ work.

Hannah Price is a theatre director with a particular focus on digital work and established the company Theatre Uncut in 2011. The company commissioned and developed scripts from over 50 writers during her tenure.

In preparation for the new theatre space, the charity also created a new role of Development Manager. After three years in post, Assistant Theatre Manager Christina Gazelidis was also promoted to Theatre Manager.

The charity also took on two Kickstart placements, Jahmal Sawaby and Rebekah Lumb.

FINANCIAL REVIEW

Financial position

Income	The total income for the period was £582,146.
Voluntary Income	We received £43,504 in donations.
Theatre and Production Income	We had an income of £154,961 from ticket and merchandise sales. We received £346,970 in grants and £2,447 from gift aid.
Cost of Charitable Activities	The total expenditure for the period was £657,631.

FINANCIAL REVIEW

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 six months of operating reserves in place by the end of 2021 with £355,855 of unrestricted reserves available and total reserves of £555,770.

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

FUTURE PLANS

Following the appointment of new Artistic Directors, we will be looking to appoint a new Producer and recruit new trustees to the board. The programme for 2022 will initially be managed by the Interim Programme Director Heather Ruck until March, at which point the new Artistic Directors will take over the programme at our Upper Street Home.

With a lot of uncertainty still around theatre performances coming out of the pandemic in 2022, a large focus will be on re-stabilising the business as specific Covid support ends. This could require a lot of "going back to the basics" and really reexamining the business, programming and artistic model and the theatre making process.

Establishing the organisation as fully inclusive LGBTQ+ venue will also be a large focus for 2022 and re-establishing artist networks and artist development. The Theatre will also be looking to establish new partnerships with organisations and other theatres for the opening of the new Islington Square venue.

Attention will be drawn to getting ready for the move to a larger venue from all departments. Training, upskilling and interrogating operational practices will become a focus for the team as it prepares for the move with a new senior management team.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Anti-Racism Commitment

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.

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 8 members as at December 31st 2021. These members are detailed on page 2. The Trustees did not receive any benefits in the year.

Appointment of 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 audience diversity.

Trustee induction and training

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.

Organisational structure

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

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.

Key management personnel 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.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

09187162 (England and Wales)

Registered Charity number

1161483

Registered office

115 Upper Street
London
N1 1QN

KH THEATRE LIMITED

REPORT OF THE TRUSTEES
for the Year Ended 31 December 2021

Trustees

Ms M L Lauder
Ms A J Moulson (resigned 22.6.22)
Mr J A R Seabright
Ms M Waiting
Mr R J Williamson
Ms A Mascarenhas (resigned 27.4.22)
Ms K Farrell
Mr A Porter (appointed 27.4.22)
Mr M Hedges (appointed 27.4.22)
Mr N Paladina (appointed 27.4.22)

Independent Examiner

Calcutt Matthews WBZ Ltd
19 North Street
Ashford
Kent
TN24 8LF

Bankers

Metrobank
1 Southampton Row
London
WC1B 5HA

Key Management

Fiona English	Executive Director (till 17.12.21)
Mark Ravenhill	Artistic Director & Chief Executive Officer (from 01.10.21)
Hannah Price	Artistic Director & Chief Executive Officer (from 01.10.21)

21 December 2022

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



.....
James Seabright
Chair of Trustees

Independent examiner's report to the trustees of KH Theatre Limited ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2021.

Responsibilities and basis of report

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

Having satisfied myself that the accounts of the Company 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 your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of Institute of Chartered Accountants in England and Wales which is one of the listed bodies.

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:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts 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 accounts to be reached.



Nicholas Hume FCA
Calcutt Matthews Ltd
Institute of Chartered Accountants in England and Wales
Calcutt Matthews WBZ Ltd
19 North Street
Ashford
Kent
TN24 8LF

Date:21.12.22.....

KH THEATRE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2021

	Notes	Unrestricted fund £	Restricted fund £	31.12.21 Total funds £	31.12.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	43,504	-	43,504	214,055
Charitable activities					
Encouragement of the Arts		500,328	5,000	505,328	590,143
Investment income	3	2,595	-	2,595	878
Other income		<u>30,719</u>	<u>-</u>	<u>30,719</u>	<u>139,723</u>
Total		<u>577,146</u>	<u>5,000</u>	<u>582,146</u>	<u>944,799</u>
EXPENDITURE ON					
Raising funds	5	1,177	21,725	22,902	35,848
Charitable activities					
Encouragement of the Arts	6	<u>634,729</u>	<u>-</u>	<u>634,729</u>	<u>650,035</u>
Total		<u>635,906</u>	<u>21,725</u>	<u>657,631</u>	<u>685,883</u>
NET INCOME/(EXPENDITURE)		(58,760)	(16,725)	(75,485)	258,916
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>414,615</u>	<u>216,640</u>	<u>631,255</u>	<u>372,339</u>
TOTAL FUNDS CARRIED FORWARD		<u>355,855</u>	<u>199,915</u>	<u>555,770</u>	<u>631,255</u>

The notes form part of these financial statements

KH THEATRE LIMITED
BALANCE SHEET
31 December 2021

	Notes	Unrestricted fund £	Restricted fund £	31.12.21 Total funds £	31.12.20 Total funds £
FIXED ASSETS					
Intangible assets	11	3,200	-	3,200	3,622
Tangible assets	12	<u>82,161</u>	<u>-</u>	<u>82,161</u>	<u>87,252</u>
		85,361	-	85,361	90,874
CURRENT ASSETS					
Debtors	13	340,796	117,579	458,375	254,933
Cash at bank and in hand		<u>90</u>	<u>82,336</u>	<u>82,426</u>	<u>331,477</u>
		340,886	199,915	540,801	586,410
CREDITORS					
Amounts falling due within one year	14	<u>(70,392)</u>	<u>-</u>	<u>(70,392)</u>	<u>(46,029)</u>
NET CURRENT ASSETS		<u>270,494</u>	<u>199,915</u>	<u>470,409</u>	<u>540,381</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>355,855</u>	<u>199,915</u>	<u>555,770</u>	<u>631,255</u>
NET ASSETS		<u>355,855</u>	<u>199,915</u>	<u>555,770</u>	<u>631,255</u>
FUNDS					
Unrestricted funds	15			355,855	414,615
Restricted funds				<u>199,915</u>	<u>216,640</u>
TOTAL FUNDS				<u>555,770</u>	<u>631,255</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021. The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each 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 charitable company.

The notes form part of these financial statements

KH THEATRE LIMITED

BALANCE SHEET - continued
31 December 2021

The financial statements were approved by the Board of Trustees and authorised for issue on
....21 December 2022..... and were signed on its behalf by:



.....
James Seabright
Chair of Trustees

The notes form part of these financial statements

KH THEATRE LIMITED

CASH FLOW STATEMENT
for the Year Ended 31 December 2021

	Notes	31.12.21 £	31.12.20 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(249,646)</u>	<u>156,290</u>
Net cash (used in)/provided by operating activities		<u>(249,646)</u>	<u>156,290</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,000)	(3,325)
Interest received		<u>2,595</u>	<u>878</u>
Net cash provided by/(used in) investing activities		<u>595</u>	<u>(2,447)</u>
Change in cash and cash equivalents in the reporting period		(249,051)	153,843
Cash and cash equivalents at the beginning of the reporting period		<u>331,477</u>	<u>177,634</u>
Cash and cash equivalents at the end of the reporting period		<u>82,426</u>	<u>331,477</u>

The notes form part of these financial statements

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

	31.12.21 £	31.12.20 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(75,485)	258,916
Adjustments for:		
Depreciation charges	7,514	7,698
Interest received	(2,595)	(878)
Theatre Tax Credit	(18,854)	(49,087)
Other	29,449	-
(Increase)/decrease in debtors	(192,369)	19,993
Increase/(decrease) in creditors	<u>2,694</u>	<u>(80,352)</u>
Net cash (used in)/provided by operations	<u>(249,646)</u>	<u>156,290</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank and in hand	<u>331,477</u>	<u>(249,051)</u>	<u>82,426</u>
	<u>331,477</u>	<u>(249,051)</u>	<u>82,426</u>
Total	<u>331,477</u>	<u>(249,051)</u>	<u>82,426</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

	31.12.21	31.12.20
	£	£
Donations	32,686	208,700
Visiting Productions Rental Income	4,890	2,475
Membership and Sponsorship	<u>5,928</u>	<u>2,880</u>
	<u>43,504</u>	<u>214,055</u>

3. INVESTMENT INCOME

	31.12.21	31.12.20
	£	£
Interest receivable - trading	<u>2,595</u>	<u>878</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31.12.21	31.12.20
	£	£
Ticket Sales	144,690	243,517
Friends Scheme	950	1,080
Merchandise	2,528	2,846
Booking Fees	7,743	18,334
Grants	346,970	317,900
Gift Aid	<u>2,447</u>	<u>6,466</u>
	<u>505,328</u>	<u>590,143</u>

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

	31.12.21	31.12.20
	£	£
Arts Council England	311,970	280,000
OAK Foundation	-	15,400
S&J Fogel Charitable Trust	-	250
Ernest Hecht Charitable Foundation	-	5,000
Foyle Foundation	-	15,000
Islington Council	30,000	2,250
Theatres Trust Charitable Fund	<u>5,000</u>	<u>-</u>
	346,970	317,900

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

	31.12.21	31.12.20
	£	£
Fundraising	<u>21,725</u>	<u>14,760</u>

Other trading activities

	31.12.21	31.12.20
	£	£
Purchases	<u>1,177</u>	<u>21,088</u>

Aggregate amounts	<u>22,902</u>	<u>35,848</u>
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6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 7) £	Totals £
Encouragement of the Arts	<u>213,437</u>	<u>421,292</u>	<u>634,729</u>

7. SUPPORT COSTS

	Management £	Finance £	Information technology £	Human resources £	Totals £
Encouragement of the Arts					
	<u>374,625</u>	<u>42,979</u>	<u>748</u>	<u>2,940</u>	<u>421,292</u>

8. NET INCOME/(EXPENDITURE)

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

	31.12.21 £	31.12.20 £
Depreciation - owned assets	7,091	7,275
Hire of plant and machinery	1,923	1,804
Other operating leases	29,700	15,544
Development costs amortisation	<u>422</u>	<u>423</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

10. STAFF COSTS

	31.12.21 £	31.12.20 £
Wages and salaries	294,503	290,800
Social security costs	<u>17,465</u>	<u>17,179</u>
	<u>311,968</u>	<u>307,979</u>

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

	31.12.21	31.12.20
Staff	<u>12</u>	<u>12</u>

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

11. INTANGIBLE FIXED ASSETS

	Developmen costs £
COST	
At 1 January 2021 and 31 December 2021	<u>4,225</u>
AMORTISATION	
At 1 January 2021	603
Charge for year	<u>422</u>
At 31 December 2021	<u>1,025</u>
NET BOOK VALUE	
At 31 December 2021	<u>3,200</u>
At 31 December 2020	<u>3,622</u>

12. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2021	97,487	16,949	5,522	5,501	125,459
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>2,000</u>
At 31 December 2021	<u>97,487</u>	<u>16,949</u>	<u>5,522</u>	<u>7,501</u>	<u>127,459</u>
DEPRECIATION					
At 1 January 2021	17,438	13,781	3,836	3,152	38,207
Charge for year	<u>4,874</u>	<u>792</u>	<u>421</u>	<u>1,004</u>	<u>7,091</u>
At 31 December 2021	<u>22,312</u>	<u>14,573</u>	<u>4,257</u>	<u>4,156</u>	<u>45,298</u>
NET BOOK VALUE					
At 31 December 2021	<u>75,175</u>	<u>2,376</u>	<u>1,265</u>	<u>3,345</u>	<u>82,161</u>
At 31 December 2020	<u>80,049</u>	<u>3,168</u>	<u>1,686</u>	<u>2,349</u>	<u>87,252</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21	31.12.20
	£	£
Trade debtors	2,053	7,034
Amounts owed by group undertakings	215,024	203,951
Other debtors	239,134	42,000
Prepayments	<u>2,164</u>	<u>1,948</u>
	<u>458,375</u>	<u>254,933</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21	31.12.20
	£	£
Trade creditors	15,484	5,228
Amounts owed to group undertakings	21,669	-
Social security and other taxes	5,843	4,544
VAT	2,210	1,173
Other creditors	18,466	20,803
Accruals and deferred income	<u>6,720</u>	<u>14,281</u>
	<u>70,392</u>	<u>46,029</u>

15. MOVEMENT IN FUNDS

	At 1.1.21	Net movement in funds	At 31.12.21
	£	£	£
Unrestricted funds			
General fund	414,615	(58,760)	355,855
Restricted funds			
Capital Project	216,640	(16,725)	199,915
	<u>631,255</u>	<u>(75,485)</u>	<u>555,770</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	577,146	(635,906)	(58,760)
Restricted funds			
Capital Project	5,000	(21,725)	(16,725)
	<u>582,146</u>	<u>(657,631)</u>	<u>(75,485)</u>

15. MOVEMENT IN FUNDS - continued**Comparatives for movement in funds**

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	207,970	206,645	414,615
Restricted funds			
Capital Project	164,369	52,271	216,640
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>372,339</u>	<u>258,916</u>	<u>631,255</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	892,528	(685,883)	206,645
Restricted funds			
Capital Project	52,271	-	52,271
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>944,799</u>	<u>(685,883)</u>	<u>258,916</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.20 £	Net movement in funds £	At 31.12.21 £
Unrestricted funds			
General fund	207,970	147,885	355,855
Restricted funds			
Capital Project	164,369	35,546	199,915
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>372,339</u>	<u>183,431</u>	<u>555,770</u>

15. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,469,674	(1,321,789)	147,885
Restricted funds			
Capital Project	57,271	(21,725)	35,546
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>1,526,945</u>	<u>(1,343,514)</u>	<u>183,431</u>

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

Co-production services totalling £0.00 (2020 £7,346) 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 2021, no amounts were outstanding between the charity and Seabright Productions Ltd.

KH THEATRE LIMITED

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2021

	31.12.21 £	31.12.20 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	32,686	208,700
Visiting Productions Rental In come	4,890	2,475
Membership and Sponsorship	<u>5,928</u>	<u>2,880</u>
	43,504	214,055
Investment income		
Interest receivable - trading	2,595	878
Charitable activities		
Ticket Sales	144,690	243,517
Friends Scheme	950	1,080
Merchandise	2,528	2,846
Booking Fees	7,743	18,334
Grants	346,970	317,900
Gift Aid	<u>2,447</u>	<u>6,466</u>
	505,328	590,143
Other income		
JRS Grant	<u>30,719</u>	<u>139,723</u>
Total incoming resources	582,146	944,799
EXPENDITURE		
Raising donations and legacies		
Fundraising	21,725	14,760
Other trading activities		
Purchases	1,177	21,088
Charitable activities		
Actor & Technician Wages	8,386	5,043
Literary Resources	48	51
Commissions	180,939	234,081
Box office costs	<u>24,064</u>	<u>24,097</u>
	213,437	263,272
Support costs		
Management		
Wages	294,503	290,800
Carried forward	294,503	290,800

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KH THEATRE LIMITED

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2021

	31.12.21 £	31.12.20 £
Management		
Brought forward	294,503	290,800
Social security	17,465	17,179
Hire of plant and machinery	1,923	1,804
Rent	29,700	15,544
Repairs and Maintenance	6,229	1,778
Insurance	2,860	3,064
Travel and Subsistence	1,954	7,744
Telephone	1,632	1,920
Postage and stationery	607	1,478
Advertising	15,728	10,006
Sundries	811	128
Fixtures and fittings	421	562
Computer equipment	<u>792</u>	<u>1,056</u>
	374,625	353,063
Finance		
Accountancy	22,640	15,889
Auditor Fees	1,397	1,397
Bank charges	211	149
Professional Consultancy	8,189	4,602
Credit and other charges	4,241	4,655
Development costs	423	423
Freehold property	4,874	4,874
Computer equipment	<u>1,004</u>	<u>783</u>
	42,979	32,772
Information technology		
Computer Expenses	748	660
Human resources		
Training	<u>2,940</u>	<u>268</u>
Total resources expended	<u>657,631</u>	<u>685,883</u>
Net (expenditure)/income	<u>(75,485)</u>	<u>258,916</u>

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