

POLKA CHILDREN'S THEATRE LIMITED

England & Wales · Charity number 256979

Details

Other names	POLKA CHILDREN'S THEATRE, POLKA THEATRE, POLKA THEATRE FOR CHILDREN
Status	Registered
Legal form	Charitable company
Company number	00938592
Registered	1968-10-02
Register	View on the Charity Commission register

Contact

Address	Polka Theatre 240 The Broadway London SW19 1SB
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Website	www.polkatheatre.com

Activities

Objects: TO PROMOTE, MAINTAIN, IMPROVE, AND ADVANCE EDUCATION, PARTICULARLY BY THE PRODUCTION OF EDUCATIONAL PLAYS FOR CHILDREN AND THE ENCOURAGEMENT OF THE ARTS, INCLUDING THE ARTS OF DRAMA, MIME, PUPPETRY, DANCE, SINGING AND MUSIC AND TO FORMULATE, PREPARE AND ESTABLISH SCHEMES THEREFORE PROVIDED THAT ALL OBJECTS OF THE CHARITY SHALL BE OF A CHARITABLE NATURE.

Activities: Polka empowers children aged 0 to 12 years old to navigate their world through inspirational theatre and creative experiences: improving children's lives, bringing communities together, creating ground-breaking theatre. Since 1979 we have built a local, national and international reputation. Our venue in Wimbledon is a theatre and community hub where everyone is welcome.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, Disability, Arts/culture/heritage/science
- **Who:** Children/young People, People With Disabilities

Geography

- Surrey
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,620,501	£3,373,382	£9,849,071	36
2024-03-31	£3,009,800	£3,203,252	£9,768,225	35
2023-03-31	£2,636,562	£2,973,692	£9,961,678	33
2022-03-31	£2,994,641	£2,281,284	£10,298,808	28
2021-03-31	£2,869,831	£924,239	£9,585,451	13

Trustees

Name	Role	Appointed
Kalee Susan Talvitie-Brown	Chair	2026-05-19
Alison Jane Harpur		2020-05-13
Arif Feisal Saad		2021-09-08
Catherine Sally Manuel		2022-09-22
Fiona Louise McLaren		2021-09-08
Helen Elizabeth Clark Bell		2023-03-06
Kellie Louise Williams-Jauvel		2021-09-08
Mark Paul Macey		2025-05-21
Michael Andrew Bradley		2019-05-16
Michael Lord		2022-03-16
Victoria Aspden		2021-09-08
Vincent Gerald O'Brien		2022-11-16

POLKA CHILDREN'S THEATRE LIMITED

England & Wales - Charity number 256979

Accounts



POLKA CHILDREN'S THEATRE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2025

Registered Charity Number 256979

Registered Company Number 00938592

POLKA CHILDREN'S THEATRE LIMITED

Annual Report and Financial Statements for the year ended 31st March 2025

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POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025**

The trustees are pleased to present their report together with the financial statements of the charitable company for the year ended 31st March 2025.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number:	256979
Company Number:	00938592
Company Secretary	Lynette Alston
Principal Office:	240 The Broadway, Wimbledon, London, SW19 1SB
Auditor	Buzzacott Audit LLP, 130 Wood Street, London, EC2V 6DL
Bankers	Barclays Bank plc, 8 Alexandra Road, Wimbledon, London, SW19 7JZ

Directors and Trustees

The Directors of the charitable company (the Company) are its Trustees for the purpose of charity law. Throughout this report they are collectively referred to as the Trustees. The following served as Trustees during the year and up to the date of signing this report, except where shown:

Acting Chair:	Fiona McLaren
Chair:	Dominic Proctor (deceased 20 th June 2025)
Treasurer:	Vincent O'Brien
	Victoria Aspden
	Michael Bradley
	Helen Clark Bell
	Alison Harpur
	Michael Lord
	Mark Macey (appointed 21 st May 2025)
	Catherine Manuel
	Arif Saad
	Kellie Williams-Jauvel

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025****A VIEW FROM THE ACTING CHAIR**

It is with great sadness that I begin this report by sharing the news that our much-loved Chair of Trustees, Dominic Proctor, passed away in June 2025. Dom joined Polka in November 2022, shortly after our major redevelopment, and played a key role in helping us grow our reach and ambition. He brought immense kindness, energy, and wisdom to everything he did, and his generosity of spirit inspired us all. He will be deeply missed.

As Acting Chair, I'm proud to reflect on a year filled with creativity, growth, and impact. Our productions have reached more people than ever – both at our Wimbledon home and across the country through touring. Highlights include the Olivier-nominated *The Nutcracker*, our most successful winter production to date, and the Offie award-winning, hip-hop-infused *Romeo and Juliet*. These productions reflect our values: bold, inclusive, and pioneering theatre that creates magical and meaningful experiences for children and families.

We've also launched exciting new initiatives. The Polka Playwriting Award is the UK's first to champion professional new writing for 8 to 13-year-olds. Our *Catapult* artist development programme, launched in January 2024, is supporting emerging theatre-makers with training, mentoring, and performance opportunities – work the trustees are proud to champion.

Support from Arts Council England remains vital, but we continue to face challenges from declining public funding, reduced school budgets, and rising costs. Thanks to the generosity of our funders and sponsors, we've been able to expand *Curtain Up!*, offering free theatre tickets to schools in need, and continue our creative writing project *Write Here Write Now*, as well as launch new oracy project *Talking Tales*. Other generous funders have allowed us to welcome thousands to our free play spaces and to remain a Warm Welcome Space throughout winter. We are also delighted that supporters made possible the renovation of the flat that sits above our café which will now provide long-term rental income for our charitable activities. This year we have also been able to expand our commitment to environmental sustainability with improvements in our production process as well as in the garden.

Our impact would not be possible without our supporters – but equally we would not succeed without our dedicated staff, freelancers and volunteers, who were rightly recognised with the UK Theatre Award for Most Welcoming Theatre 2024. We are aware of the financial challenges we face as the trust and foundation landscape changes and we become more reliant on private funders, but with a strong board of trustees and the leadership of our two Chief Executives, supported by their brilliant teams, we look ahead to 2025 with confidence and optimism.

Fiona McLaren,

Acting Chair, Board of Trustees

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025****STRUCTURE, GOVERNANCE AND MANAGEMENT****Governing Document**

Polka Children's Theatre Limited is a company incorporated in England and Wales, limited by guarantee, and governed by its Memorandum and Articles of Association dated 10th September 1968 and amended to allow for current governance arrangements on 16th October 1987, 14th October 1993 and 8th February 2012. It is registered as a charity with the Charity Commission.

Appointment of Trustees

As set out in the Articles of Association, the Trustees have the power at any time to appoint any person to be a member of the Board, either to fill a casual vacancy or as an additional member of the Board. Any person so appointed holds office only until the next Annual General Meeting and is then eligible for re-election. At each Annual General Meeting, one-third of the members of the Board retire from office.

Trustee Induction and Training

New Trustees receive briefings on the history of the company, their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Board and decision-making processes, the company plan and recent financial performance of the company.

Organisation

The Board of Trustees determines the long-term objectives of the company. It meets quarterly and detailed oversight is further assured through a structure of Board Working Groups covering finance, development, operations, community, and artistic and creative learning programming. The Board appoints executive officers, not being members of the Board, to discharge the artistic, administrative and other duties necessary for the proper functioning of the company.

The remuneration of the Executive Officers is recommended to the Board of Trustees by the Finance Working Group with reference to comparable salary levels within the subsidised theatre sector.

Executive Officers: Helen Matravers, Joint Chief Executive and Artistic Director
 Lynette Alston, Joint Chief Executive and Company Secretary

The Executive Officers represent Key Management Personnel and their cost of employment for the year totalled £121,810. The Trustees also represent Key Management Personnel and they received no remuneration during the year.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025****STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)**Public Benefit**

In shaping Polka's objectives for the year and planning our activities, the Trustees considered the Charity Commission's guidance on public benefit and fee charging. The Theatre relies on grants and the income from sales, fees and charges to cover its operating costs. In setting the charity's programme of work and the level of fees, charges and concessions, the Trustees gave particular consideration to the accessibility of the theatre for those on low incomes and those with least opportunity to participate in cultural activities.

Objectives and Activities

The charitable objects of the company are to promote, maintain, improve and advance education, particularly by the production of plays for children and the encouragement of the arts, including the arts of drama, mime, puppetry, dance, singing and music.

The overarching mission of the organisation is *to empower children to navigate their world through inspirational theatre and creative experiences*. Polka wants to give as many children as possible, from all backgrounds, the opportunity to experience thrilling, innovative, world-class theatre, and creative learning opportunities, in a welcoming space that they can call their own.

Strategic Objectives

1. Produce an inspiring, diverse and inclusive programme of world-class theatre and creative learning opportunities for children aged 0-12
2. Be a locally, nationally and internationally valued organisation
3. Provide a welcoming and inclusive space dedicated to the playful inspiration of children, where families, schools and communities come together
4. Give as many children as possible, from all backgrounds, the opportunity to access the enriching theatre experiences Polka offers
5. Support children's learning and personal development
6. Drive pioneering practice within children's theatre
7. Be a financially sustainable and environmentally responsible organisation
8. Provide a respectful, inclusive and supportive environment for staff and volunteers to achieve their best for our beneficiaries

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025****STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)**Our Values**

- Child-centred - placing children at the heart of everything Polka does
- Community - engaging our diverse communities of children, families, educationalists and artists
- Excellent - pioneering, adventurous, offering the highest quality
- Memorable - creating magical, meaningful experiences
- Inclusive - welcoming, accessible, nurturing, supportive, representative

Overview

By the end of the year over 145,000 people had experienced our work (YE 2024: 136,000), including over 125,000 who visited our theatre venue (YE 2024: 114,000) and 20,800 who took part in Creative Learning activities (YE 2024: 20,400). We produced 9 in-house productions and co-productions seen by over 66,000 people, plus we received 21 visiting companies at our Wimbledon venue. We also had 9 productions and co-productions on tour nationally, reaching over 24,000 people in theatre venues, libraries and schools.

The company continued to be led by Joint CEOs Helen Matravers (Artistic Director) and Lynette Shanbury (Executive Director). We provided paid work for over 235 people, including over 120 freelancers. Nearly 100 people gave their time through volunteering, and 4,810 volunteer hours were contributed through our formal volunteering programme supporting Visitor Services.

Finance

The company performed strongly during the year thanks to excellent box office and fundraising performance, and careful management of resources. However margins remain tight, with little room for poor ticket sales performance, and we continued to feel the impact of growing overhead costs. This is particularly around staff cost increases linked to competitively rising salaries in the sector and due to our ongoing commitment to being an ethical Living Wage Employer. High energy prices and other generally higher costs of overheads such as cleaning, IT and building management services, are continuing to be hugely challenging and we are grateful for those supportive funders who have recognised this. As costs increase we must increasingly seek support through fundraising and individual donors to sustain a quality programme which is economically accessible to all (see 'Year in Review' section for more details of our funded and free activities).

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025****STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)**Finance** (continued)

Polka operates a mixed funding model, with both earned and funded income vital to enable the company to operate effectively. Our box office performed strongly during the year, due to careful marketing and well-chosen productions which attracted audiences, supported by expansion of our free, fully-funded ticketing programmes. We continue to mitigate against performance cancellations through bringing understudies in to cover the key performance periods, but this adds significantly to expenditure and is not viable for all productions.

Our school audiences continue to be affected by tightening school budgets. Thanks to generous support from funders we were able to continue our expanded Curtain Up! programme (free tickets to schools who otherwise were unable to afford to visit the theatre), giving away over 7,500 tickets during the year specifically via this programme alone (this will increase to 9,000 in following years thanks to funder commitments). Including free teacher and companion tickets, we gave away over 10,000 free tickets across all school bookings – which is 39% of all school ticket sales. Alongside strong cost control, support from funders, both public and private, proved fundamental in sustaining the core function of the organisation during the year, with only 50% of our income coming from earned sources during the year (57% in YE 2024).

Support from Arts Council England continued to be vital, accounting for 16% of our income (19% in YE 2024). We have continued as an Arts Council England National Portfolio Organisation for the 2023-27 period, which demonstrates Polka's ongoing importance in the English theatre ecology. However the standstill nature of the funding (essentially representing a real-terms cut) continues to present a significant challenge to ongoing operations.

During the year we completed the renovation of the flat, which sits above the Polka café. The work was almost entirely funded by generous supporters. The future rental income from the flat will be a long-term sustainable future income source for the company. The Loss on Revaluation results from the remodelling of the site to create a separate investment property, and to undertake building works to sure up the decaying fabric of the building which is attached to Polka (see Note 10). Looking ahead, delivering quality work at a time of declining public funding and growing overhead costs remains an on-going challenge. Polka is well placed to meet the priorities of public funders in such areas as creative education for children, mental health and wellbeing, community engagement and community cohesion, representation and diversity. These priorities will continue to be pressing over the next few years as we respond to the long-term impacts of the pandemic on children, the needs of schools facing increasing budgetary and timetable/curriculum pressures, and the cost-of-living challenges for many families.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025****STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)**Risk Management**

The Board of Trustees has a risk management strategy which comprises:

- A regular review of the risks that the company may face, reviewed at each quarterly Board meeting
- The establishment of strategies and procedures to mitigate those risks
- The implementation of procedures designed to minimise any potential impact on the company should those risks materialise.

The principal risks and mitigations identified at 31st March 2025 were:

- High workload and stress on staff arising from a challenging sector environment. Additional temporary staffing and outsourcing is used to support key periods of high activity; mental health resources and training, alongside social activities, have also helped support staff.
- Loss of key staff, especially at senior level, with salary inflation and inability to fill key staff roles. Plus a sector skills drain particularly in key areas such as technical support and the challenges of retaining a diverse workforce due to cost of living (especially rental costs in London). This is addressed by robust recruitment processes and focus on team wellbeing and positive organisational culture and benefits to sustain Polka as an inclusive and happy place, and attract and retain staff; commitment to fair pay (Living Wage Employer) and salary benchmarking to ensure competitiveness; where practicable, we recruit for aptitude and provide training. Although staff turnover is challenging, Polka is proud to support talent development and staff training for people who will go on to work in the wider sector.
- Pressure on finances with rising costs of overheads and materials, higher energy prices, high pace of national level external economic changes, greater competition on funding, real-term funding cuts at local, national and international level, and challenges in raising box office and other earned income. This is addressed by tight cost control, reducing borrowing costs where possible and being responsive to opportunities for development; focusing on core aims of the charity to prioritise areas of delivery; continuing to build understanding of our position and strong relationships with current and new funders.

Attention has also been given to non-financial risks arising from the health and safety of staff and child protection, which are standing items on the risk register. These risks are managed by having robust policies and procedures in place, providing regular training for staff working in these operational areas and monitoring by staff safety and safeguarding teams, with oversight by the Board. Polka's Working Group structure enables a wider range of stakeholders to input to and influence decision making within the organisation, focusing on key areas including Artistic, Operations, Finance, Community, Teachers/Schools and Young Voices.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025****STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)**Reserves Policy**

The Trustees have reviewed the company's reserves policy in line with the guidance issued by the Charity Commission and recognise the need to safeguard the organisation against potential reductions in grant-aided income, fluctuations in earned income and unplanned expenditure, particularly emergency repairs and maintenance to the theatre premises going forward. The reserves policy was revised during the year with the Trustees determining that a higher figure was now more appropriate, given the increased turnover of the organisation and the changed economic climate where costs and risks of financial challenges are higher. A minimum unrestricted general reserve target of £550,000 was therefore agreed, which equates to a level at least equal to three months' "core" revenue operating expenditure at normal operating levels.

In compliance with this policy, the unrestricted general reserves at 31st March 2025 amounted to £787,098 (2024: £688,701).

The Trustees recognise that unrestricted reserves may need to be utilised to support operations in this challenging environment (any such use will be agreed through the usual governance structure of the organisation). Nevertheless, Trustees consider that the current reserve levels remain appropriate for the organisation. In addition, the Board designates reserves for specific purposes out of unrestricted funds each year as required when approving the annual accounts. Expenditure out of designated reserves is then approved in accordance with normal authorisation policies. Designated reserves at 31st March 2025 amounted to £660,150 (2024: £463,573) (see Note 17 to the Accounts).

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025****YEAR IN REVIEW**

Polka, based in Wimbledon, South West London, is a pioneering national theatre for children. The first UK venue to be created exclusively for young audiences, we specialise in work for children aged 0-12 years and remain one of very few theatres in the UK that regularly commissions and produces new work for children in this age range. Since 1979, we have built a local, national and international reputation and are recognised for the quality of our productions through which children explore the world and their relationship to it. We are at the forefront of developments in work for Early Years audiences and we champion 'Young Voices', providing children with a platform for their ideas and opinions by developing productions derived from their ideas and involving them in the creative process. We provide enabling, nurturing and safe environments to stimulate young minds and imaginations, and fuel a sense of discovery and open play.

Headlines for 2024/25

- Over 145,000 individual children and adults have experienced Polka's activities, with over 125,000 people coming to our venue – in total over 161,000 attendances at events and activities (including repeat attendances)
- 30 productions seen by 87,461 audience members at Polka across 763 performances, plus nine productions toured to venues nationally reaching over 24,000 audience members
- Just under 26,000 school children saw performances at Polka and our hip-hop inspired production of Romeo & Juliet toured to schools reaching a further 2,000 children
- 21% of all tickets were given away for free via funded programmes for schools and community, or via complimentary ticketing such as for Access Companion tickets
- 39% of all school tickets were distributed for free thanks to support by funders
- We sold 5,047 £10 tickets (7% of all sold tickets) – making sure our ticket prices remain accessible to all
- We delivered 37 adapted shows (15 BSL interpreted, 5 audio described, 4 captioned, 13 relaxed) to 3,957 audience members – plus three of our productions were access integrated
- We issued 970 Access Tickets and 861 free Companion Tickets (2.1% of all tickets)
- 1,326 Creative Learning events were attended by over 20,800 individual participants (including repeat visitors there were over 36,800 engagements) and over 56% of all participants took part for free
- Approximately 11,170 children and adults made use of our free, open access play spaces
- 20 young people took part in our annual work experience week
- We worked with 184 schools across London and the South East, with our funded projects primarily focused on East Merton, Croydon and Wandsworth
- 4,800+ individual children attended school workshops and nearly 1,400 at holiday workshops
- We provided free lunches to children in school holidays and a designated Warm Welcome space in the winter
- 98 volunteers gave their time (4,810 hours volunteered) – 50 new volunteers recruited

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025****YEAR IN REVIEW** (continued)**Headlines for 2024/25** (continued)

- We gave 26 days of free R&D space to artists and companies, with 34 artists making use of this
- Polka was nominated for and won a host of awards and recognition: overall winner of Merton Best Business Award, as well as winner of Equality, Diversity & Inclusion and Sustainable Impact categories; Winner of UKTheatre's Most Welcoming Theatre 2024 Award; and *The Nutcracker* was nominated for an Olivier Award 2025

Productions and Touring

In total nearly 112,000 children and adults attended performances of shows (YE 2024: 104,000), across 1,100 performances in house and on tour.

In the Main Theatre, we began the year with *The Three Billy Goats Gruff*, a fully-inclusive co-production with Derby Theatre and Hiccup Theatre, directed by Derby's Artistic Director Sarah Brigham, which was the first of a three year programme of collaboration. The production premiered at Derby in the winter of 2023/4 before coming to Polka in the spring. With BSL as the first language of the show, and integrated audio description and creative captioning throughout, this cemented our commitment to inclusive theatre production and shared learning with the Derby team.

This was followed by the extraordinary *The Colour of Dinosaurs*, a production which began as a co-commission with Unlimited, investing in development of disabled-led work. Along with support from Bristol Old Vic's Ferment programme, the show was created by Otic Theatre company and Lloyd Coleman alongside world-leading Palaeontologist Jakob Vinther. The production was a gig-theatre exploration of fossils, melanin and identity, and spoke positively to children directly about difference. The audience feedback on the show was exceptional. In 2025 it toured to the Southbank Centre, Theatre Royal Stratford East, and will be touring nationally.

Our Main House production for the summer was a newly commissioned adaptation of *Sam Wu is NOT Afraid of Ghosts*, a book by Katie and Kevin Tsang. The production transferred to Worthing for a week following its six week run at Polka, and received an Offies Award nomination for Best Production.

Following an autumn visitor season, our festive winter production was *The Nutcracker*, a co-production with Little Bulb Theatre. Over 23,000 children and adults enjoyed this newly devised production, our most successful winter production ever. It received fantastic audience and critical feedback and was nominated for an Olivier Award in the Families category – recognition which Polka has never achieved before.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025****YEAR IN REVIEW** (continued)**Productions and Touring** (continued)

Our final production of the year in the Main House was *The PEA and the Princess* – a co-commission with Singapore Rep Theatre. The show challenged stereotypes so often associated with fairy tales, and was written by Rachel Barnett Jones and played to particularly large half term houses.

In the Adventure Theatre we started the year with the final few weeks of new hip hop production of *Romeo & Juliet*, in a collaboration with Beats & Elements (Conrad Murray and Lakeisha Lynch-Stevens). Designed for children aged 9+ this high energy new commission completed its run in-house before going on a three week schools tour in spring 2025 reaching 2,000 children (***** Thoughtful and slick*, The Stage). The show won an Offie Award for best sound and music, and was shortlisted for an Ettie Award. Methuen Publishing published the play-text which is now available for purchase across their outlets and in Polka's shop.

Following a spring visitor season, across the summer we hosted long runs of two early years productions by touring companies – *Handa's Surprise* by Little Angel Theatre, based on the classic book by Eileen Browne, and *How to Catch a Star* by Irish company Branar (made possible through additional Culture Ireland funding), based on the book by Oliver Jeffers. Both were received really well by audiences, with particularly strong nursery and schools attendance for *Handa's Surprise*.

Our baby show, *Soft or Spiky?*, made in co-production with Half Moon Theatre and previous Artistic Associate, Daryl Beeton, opened in the adventure theatre in October, before transferring to Half Moon and going on tour to 20 venues across the country in the following spring. The show featured a contemporary design by Ingrid Hu and sound design by Miss Jaqui.

For the winter season we collaborated with Gloucester based Can't Sit Still Theatre who produced *The Snowy Day*, a non-verbal dance performance for 1-4 year olds, devised by the company and adapted from the picture book, written and illustrated by Ezra Jack Keats. Following a successful run at Polka, including 5* reviews and an OffWestend Award nomination, the production toured to the Egg in Bath and then on a library tour of 9 venues in South Gloucester. It will be re-mounted at Z Arts in Manchester for Christmas 2025.

Finally in the Adventure Theatre we worked in co-production with Leeds Playhouse, AIK Productions and Turtle Key Arts to develop *Sister 360*, a new production written by acclaimed Bradford playwright Asif Khan inspired by real-life skateboarding sisters Layna, Maysa and Amaya, and their hero Sky Brown. Following an in-house run at Polka, during which the original inspiring sisters attended their first ever theatre performance, the production transferred to Leeds Playhouse and toured to community spaces and schools in Leeds. It was also performed in Bradford for the City of Culture festival. The production will tour to schools in spring 2026 before embarking on a UK wide tour.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025****YEAR IN REVIEW** (continued)**Productions and Touring** (continued)

Across the year, audience feedback from post-show surveys of in-house productions showed that 88% of people think our artistic quality is good or excellent, and 98% would return to Polka.

In September 2024 we ran the second Big Dreams Early Years Theatre Festival. This biennial festival, which was originally developed as part of the Culture Europe funded *Mapping* programme, took place during three days across the whole of Polka's venue. Almost all of the five visiting productions programmed sold out: *Boxville* by Cardboard Adventures, *Kaleidoscope* and *Wondergig* by Filskit Theatre, *Là Qua* by Italian company Teatro Koreja, and *The Sticky Dance* by Second Hand Dance. In our Clore Studio audiences experienced a free video installation by Scottish artist, Greg Sinclair named *Seashells*, which explored tongue twisters in eight different languages. Staff and volunteers provided free creative activities in our Play Den and garden to create a festival feel and make sure everyone was welcome. In the Main House we collaborated with Wimbledon BookFest to programme four early years authors (Debi Gliori, Tola Okogwu, Benji Davies and Jonny Duddle) who showed and talked about their books. As part of an Industry Day, we hosted 71 artists, Artistic Directors, programmers and producers, showcasing the Catapult Artists' work and creating future opportunities for them to progress their work. We also hosted two panel-discussions, one chaired by Lyn Gardner, exploring reviewing of TYA (Theatre for Young Audiences) work.

Alongside the Big Dreams performances, and the nine in-house productions we created, we hosted ambitious touring productions by 15 excellent UK-based and international Visiting Companies throughout the year. This included in our Main House *Luna Love Library Day* (Z Arts) and *The Storm Whale* (co-produced by Engine House, York Theatre Royal, and Little Angel Theatre). In our Adventure Theatre we welcomed some international guests – from Ireland Julie Sharkey with *An Ant Called Amy* explored themes of grief, and Kininso Concepts from Nigeria created *Sandscape* through use of sand and song. Touring across Europe, collaborators Teatro4Garoupas from Germany and Carré Blanc Cie from France brought another world to life through contemporary dance piece *Chiffonade*.

We welcomed a diverse range of other performances by UK-based companies including Half Moon Theatre, indefinite articles, Hannah Lefevre, Xenia Aidonopoulou, Page One Theatre, Maya Productions, Watford Palace Theatre, Cardboard Adventures and NIE Theatre. We are committed to ensuring that touring companies, who face huge challenges in the current economic climate, find a supportive, professional and financially viable welcome at Polka, including multi-day runs, minimum fee guarantees and strong in-house technical support.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025****YEAR IN REVIEW** (continued)**Productions and Touring** (continued)

In addition to in-house productions, our coproductions toured across the UK including: *The Everywhere Bear* which finished its run at Little Angel Theatre; *The Snowflake* (coproduced with Birmingham Rep and Little Angel Theatre) played at Birmingham Rep before embarking on a tour to 18 libraries across the West Midlands (the production will come to Polka in winter 2025); *Tidy* our coproduction with Theatre Iolo undertook an eight venue tour across England and Wales, including The Sherman, the Egg in Bath, Aberystwyth Arts Centre and other community spaces – 11 shows were performed in Welsh and 24 shows in English by the bi-lingual company.

We further expanded our adapted shows programme, delivering 37 adapted performances (YE 2024: 32) to 3,957 audience members. Adapted performances are BSL interpreted, Audio Described, Relaxed and Captioned. These are in addition to the fully inclusive performances that were programmed.

Attracting major reviewers to see children's theatre, especially Early Years work, remains a challenge and we continue to work to raise the profile of and champion the importance of this fundamental part of the theatrical offer. Despite this we secured some excellent coverage through the year, with a feature in The Stage by Lyn Gardner focusing on our producing work, and our CEOs featured in The Stage 100.

A selection of reviews of productions from the year:

**** When it comes to making Shakespeare relatable for young people, you would be hard pressed to beat Baz Luhrmann's 1996 film version of the tragedy of star-crossed lovers. But here is a strong contender – a streetwise, sing-through hip hop 'remix' for ages nine to 12 and up, thoughtfully devised and slickly directed' (The Stage about *Romeo and Juliet*)

**** This energetic and engaging hip hop-infused rendition of Shakespeare's classic centres the drama in the community of South London and in doing so makes it fiercely relevant to all audiences (Everything Theatre about *Romeo and Juliet*)

Adaptations are a safe bet in children's theatre: turn a much-loved picture book into a stage show and you're guaranteed a head start in ticket sales. Hats off to Polka theatre ... for seeking inspiration instead from a 2008 scientific paper by Yale University's department of geology and geophysics. One of its co-authors, Danish palaeontologist Jakob Vinther, even appears alongside a five-strong band in this lively hour of gig-theatre for children aged four to 12 (The Guardian on *The Colour of Dinosaurs*)

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025****YEAR IN REVIEW** (continued)**Productions and Touring** (continued)

**** Heartwarming story of family legacy with an uplifting message and retro humour (The Stage on *Sam Wu is NOT Afraid of Ghosts*)

**** A rocket-fuelled, colourful comedy that celebrates friendship, imagination and diversity, all bundled up in an hilarious hour of laugh out loud entertainment! (Everything Theatre on *Sam Wu is NOT Afraid of Ghosts*)

**** A refreshingly 21st century sensory experience for babies and their adults. Smiles all round! (Everything Theatre on *Soft or Spiky?*)

**** Ebullient retelling of this rodent classic features rousing renditions of past Christmas hits, with extra cheese (The Stage on *The Nutcracker*)

***** More than just a fun day out, it was a powerful reminder of how theatre can ignite creativity and imagination in young people (Everything Theatre on *The Snowy Day*)

Artist Development

In the summer we launched the Polka Playwriting Award – the first award in the UK specifically seeking professional new writing creating for 8-13 year olds. As part of the new writing programme we delivered three online writing masterclasses with professional writers Hattie Naylor, Piers Torday and Paddy Hughes, with 54 attendees across the sessions. 81 scripts were submitted to the award. Following an anonymous extensive reading panel selection process, and a workshop with Polka Graduate ambassadors (12-15 year olds), we selected a winning script with Judges Chinonyerem Odimba, Joseph Coelho and Vicky Ireland. *Dweeb-A-Mania* was the winning entry, written by Sarah Middleton, which will also be published in partnership with Methuen Publishing as part of the Award and will be staged at Polka in Autumn 2025. The award is supported by The Garek Trust and Cockayne London Community Foundation.

Following the launch of our new Artist Development programme, Catapult, in January 2024, we also continued to work with the selected artists. Following an open call-out we received 96 applications for Catapult, from which six were selected. The selected artists worked with Polka for 12 months to develop theatre making-skills, company organisational skills and fundraising, as well as performance opportunities. The programme is particularly aimed at under-represented artists and producers including those from the Global Majority, who identify as disabled, LGBTQ+, or who come from a lower socio-economic background.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025****YEAR IN REVIEW** (continued)**Artist Development** (continued)

We continued working with our three Associate Companies, who act as advocates for Polka's work nationally and have access to shows/rehearsal space where available. Polka also helps amplify their work more widely too. The Associate Companies are Second Hand Dance, Beats & Elements, and Tangled Feet.

Alongside development periods for our own productions, we offered free or reduced rate space where possible for artists/companies undertaking R&D for their own work. We gave 26 days of free R&D space to artists and companies, with 34 artists making use of this.

Networks and Sharing Learning

Staff contributed to debate and learning in the sector through involvement at various events. Our Artistic Director Helen Matravers delivered talks on directing and writing for TYA at Goldsmiths University and with Birkbeck Directing students, and our Executive Director Lynette Shanbury was on the panel discussion as part of the London Festival of Architecture. Our Head of Creative Learning Polly Simmonds delivered a talk for the Conference for EY International Curriculum Association, as well as shared learning with a number of sector peers such as Shakespeare's Globe. Sales & Ticketing Manager Laura Perry was a speaker at the SOLT/UKTheatre Ticketing Conference. We met and received visits by international visitors including from Oslo children's theatre Teaterhuset Kloden Teater, sharing good practice and ideas.

We provided placement opportunities for a number of higher education students, including from Guildford School of Acting (10 week placement across Producing and Creative Learning), and a Birkbeck University Directing student placement who joined us from September 2024 for 10 months and worked closely with our in-house producing team and directors. We also hosted a marketing intern from the Royal Opera House, offering opportunities to learn about different work environments in the sector.

We continued our relationship with Wimbledon College of Arts who made props and interactive play pieces as well as decorations for our Big Bash annual fundraiser, and presented a sharing of their work developed as part of a collaborative course module on Puppetry and Early Years performance, at Polka.

We hosted a number of locally important events, including the Evolving Wimbledon conference, profiling Wimbledon's opportunities and potential for growth, with Executive Director Lynette Shanbury joining a panel to discuss the local cultural offer. We also hosted the Wimbledon International Short Film Festival, who returned following previous events.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025****YEAR IN REVIEW** (continued)**Creative Learning: Participation, Schools & Community**

Our extensive and ambitious Creative Learning programme sits alongside our productions as a key part of our strategic delivery. In total, 20,800 individual children took part in Creative Learning Activities across 36,824 experiences. We delivered 1,326 events and estimate 85% of event participants were new to Polka. 50% of our Creative Learning activities were provided to beneficiaries for free, thanks to support from funders, and 56% of people who took part in Creative Learning activities did so for free. Our Community Working Group continued to meet quarterly, and the Teacher's Advisory Group continues to ensure we have access to advice and feedback from our beneficiaries and the wider community, reflecting their real-time needs and demands.

Community

Our *Polka Invites* community membership scheme, set up in 2021, continued – this funded 'members' programme aims to increase access to creative experiences for marginalised families in our community. These families have been referred to us by Merton Children's Centres and community groups such as Polish Families Associations, Merton SENDIS, Care4Calais, Merton Home-Start, TLC (supporting people through abuse and relationship breakdown), Merton Young Carers and Christian Care. Through their memberships, families are able to access free Polka production tickets, Saturday Club, Take Part holiday and termly workshops. By the end of the year we had 668 *Polka Invites* participants (167 families) taking up free tickets to shows, coming to drop-in workshops and attending Saturday Clubs. Over 1,150 free community tickets to shows were distributed, and 599 free places on workshops were taken up. We ran 28 free creative community workshops at venues in our local area, and across our 10 Saturday Clubs (community story-telling and creative activities) 346 participants took part.

'Thank you for giving my kids such a great opportunity to also experience theatre, singing, dancing and learning like never before. As I could never afford to bring them in such a place. I am so grateful.' (feedback from Polka Invites parent)

Freefalling is our long-running flagship funded programme, working with referred children who are in challenging circumstances at home or at school. We continued to work with two *Freefalling* groups this year – Freefalling Foundation and Young Company – who both performed during the summer on the Polka stages. 93% of participants said it helped with their confidence, and 100% agreed they had made new friends.

'Our students have experienced challenge in their lives that could have significantly damaged their self-esteem and self-confidence. Freefalling has allowed them to grow in so many positive ways. They have learnt how to express themselves in a safe and encouraging environment and we have watched them flourish with regards to their confidence, social skills and self-expression.' (Teacher feedback)

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025****YEAR IN REVIEW** (continued)**Creative Learning: Participation, Schools & Community** (continued)*Community (continued)*

Putting children's voices at the heart of our work is a core organisational value. Our *Younger Voices* (4-6yrs) and *Young Voices* (7-12yrs) groups are our sounding board for projects, reviewing shows and activities, and giving us feedback and ideas to improve our building, ensuring children's voices remain at the heart of our work.

Free community bookings on Thursday mornings in our Clore Learning Studio sensory suite continued, allowing us to strengthen existing relationships and build new ones with a number of community and SEND groups such as Merton Sensory Support Services, Wandsworth Support Services, Merton Health Visiting Team, Merton Homestart, Hestia (charity that supports adults and children in times of crisis) Merton SENDIS, Young Parents (Merton Children's Centres), Polish Families Association and Ukrainian refugee groups, isensory (Wandsworth community interest company), and SEN Talk CIC (Wandsworth based community interest company that supports children with additional communication needs).

During the winter Polka was again listed as an official 'Warm Welcome Space', open 6 days per week. Polka's importance as a community hub and open-access free play space was retained thanks to ongoing support from donors who enable us to keep these spaces open despite high energy and staffing costs. Across the year we estimate there were over 11,170 visits by people making use of our free indoor and outdoor play areas. Over the school holidays, in response to the cost-of-living crisis, and in partnership with Dons Local Action Group, we provided free lunches for any children who needed it in our café every Tuesday.

Schools

We worked with 184 schools during the year, through both funded and paid-for programmes.

Write Here Write Now, our funded creative writing and literacy project that supports Year 3 children, worked with 7 schools (including one SEND school). 70 children participated, writing stories together that were shared by authors and actors on our Main House stage with the children and their families invited to attend. The programme began its sixth year in spring 2025.

In September 2024 we launched *Talking Tales*, a new two year drama project aiming to support Key Stage 1 teachers to strengthen pupils' oracy skills, particularly for those disproportionately affected by the pandemic.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025****YEAR IN REVIEW** (continued)**Creative Learning: Participation, Schools & Community** (continued)*Schools (continued)*

Our flagship *Curtain Up!* Programme continued – now in its 30th year – providing free tickets to school groups who otherwise would not be able to attend. During the year we distributed over 7,500 tickets across 102 schools, of which 23.5% were schools new to us. Following *Curtain Up!* performances children get the opportunity to meet the performing companies and ask them questions, adding to their quality of experience. Thanks to support from funders, and responding to the challenging financial circumstances that schools have continued to find themselves in, we were able to increase our Curtain Up! scheme from 7,500 to 9,000 tickets for academic year 2024/5.

'Thank you so much for having us! It was such a magical day for our children. Polka Theatre is a fantastically inclusive space...most have never been anywhere like this before.' (Curtain Up! teacher feedback)

We offered 20 young people aged 15-17 the opportunity to undertake a week of work experience. The group spent time with all departments at Polka including production, marketing, fundraising, creative learning and visitor services, and presented their idea for a production at the end of the week.

We work directly with Special Educational schools and units to ensure that children with disabilities are able to make the most of their time at Polka Theatre. We delivered 20 SEND workshops in our Sensory Space studio for 6 schools and ran a number of SEND workshops in school venues, including Lavender Lodge School, Blossom House, Park House School and Cricket Green School.

We continued to expand our paid-for schools activities too, delivering a range of in-school day-long workshops, hosting schools at our venue for after show workshops, and delivering after-school activities.

Participation

We have an extensive weekly workshop programme, with additional school holiday programmes. We continue to offer the Discover and Explore Arts Awards to our Act 2 and Youth Theatre children – the programme is run alongside their normal weekly session. During the summer 2024 term, 46 children – 11 children from our Act 2 and Youth Theatre – took their Explore and Discover Arts Awards. During spring 2025 term, 13 children from Act 2 and Youth Theatre (6 of whom are Polka Invite members) plus 22 children from Freefalling Young Company took Arts Awards. All participants receive certificates from Trinity College, London to celebrate their amazing achievements.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025****YEAR IN REVIEW** (continued)**Creative Learning: Participation, Schools & Community** (continued)*Participation (continued)*

Children and families continue to need support in all our activities – with over 403 Creative Learning sessions requiring additional support for SEND or welfare needs. We continue to expand our inclusive theatre and creative learning work in response to this clear and growing need from our communities.

Awards and Recognition

- Winner of UKTheatre's Most Welcoming Theatre 2024
- The Nutcracker was nominated for an Olivier Award 2025
- Overall winner of Merton Best Business Award, as well as winner of Equality, Diversity & Inclusion and Sustainable Impact categories
- Shortlisted for Audience Impact & Innovation Award for our Take Your Seats programme, at the Fantastic for Families Awards 2024
- Shortlisted in Outstanding Drama Initiative category at Music & Drama Education Awards 2025 for our ongoing Freefalling programme
- Time & Leisure Food & Culture Award winner for Family Attraction of the Year, and finalists in two other categories
- Joint CEOs Helen Matravers and Lynette Shanbury listed in The Stage 100 most influential list

We received some excellent recognition through the year. Our productions received a number of Offies Award nominations during the year, including two for *The Colour of Dinosaurs* (performance and music), production nomination for *Sam Wu is NOT Afraid of Ghosts*, performance and design nominations for *The Nutcracker*, production nomination for *The Snowy Day*, and four nominations for *Romeo & Juliet* (who won for best sound and music). In addition, a number of the Visiting Company productions were nominated: *Boxville* by Cardboard Adventures and *Macbeth* by NIE Theatre.

Associate company Tangled Feet were winners at the Fantastic For Families Awards 2024, with their production of *Belongings* which premiered at Polka. Volunteer Coordinator Ray Standeven was again nominated for Volunteer Manager of the Year at the Merton Partnership Civic Pride Awards.

Capital

During the year we undertook and completed the renovation of our flat, which sits above our café. The work was almost entirely funded by generous supporters, allowing the future income generated through rental to go straight towards our charitable activities including Curtain Up!. The first tenants moved into the flat in February 2025.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025****YEAR IN REVIEW** (continued)**Capital** (continued)

We continued to fundraise for our project to improve the Main House, which was largely excluded from our recent major redevelopment for financial reasons. The target was achieved in May 2025 and the major works will take place in August to October 2025, requiring a planned eight week closure of the main house. Some other improvements already took place during 2024, including replacement of all single glazed windows backstage with double glazing, drastically improving the comfort and energy efficiency of those spaces.

We were informed in February 2024 that the main contractors for our recent capital redevelopment, ITC Concepts, had gone into administration. Following the most recent report from the administrators it looks very unlikely that any unsecured creditors (including Polka) will receive any funds. We have retained our Restricted Capital Redevelopment Fund to support any outstanding defects that may occur as a result of ITC Concepts not rectifying all defects, but there is no current impact on the operational ability of the building.

Environmental Sustainability

Our staff-led Green Team champions environmental sustainability across the organisation, with the aim of continuing improvements to our own environmental impact as well as finding ways to influence and inspire our community to be greener.

We secured funding to bring in a community gardener to improve our garden and outdoor areas, including working alongside volunteers to encourage their engagement outdoors. This three-year funding also includes supporting family activities in the garden, which our Creative Learning team are leading through activities such as our Saturday Club. To further improve the garden we secured funding to add additional seating and sensory play equipment, designed in the same open-play style as our outdoor play area equipment, and opened to the public in September.

As part of the Act Green initiative led by Indigo (who gather information across the industry to better understand our audiences), we surveyed our audiences. This told us that 79% of survey respondents felt Polka placed great or some importance on playing an active role in tackling climate change. We are also looking at ways we can improve the environmental impact of our production process. During the year our coproduction of *The Snowflake*, which premiered at Birmingham Rep and will come to Polka next winter, was developed using Green Book principles, a theatre industry initiative to tackle climate change by aiming to achieve the highest standard of sustainable production creation.

As a children's theatre, Polka is in a unique position to spark children's enthusiasm for their environment, and sustainability is regularly part of our theatre and creative workshops programming. Some of our visiting company shows such as *Early Weaves* and *Boxville* brought messages of nature and re-use, and family activities at Saturday Clubs have included bug hotel and plant pot making.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025****YEAR IN REVIEW** (continued)**Environmental Sustainability** (continued)

We participate in Love Wimbledon's business community and sustainability goals, helping to discover local ways to reduce, reuse and recycle in Wimbledon. We have a travel strategy that promotes sustainable transport amongst staff and visitors, and local and sustainable procurement policy for the café and shop. Where possible we source office furniture and equipment through recycling companies such as Reyooz. Our print brochure is certified 'Planet Positive', certified carbon neutral, and printed by an eco-accredited factory on a carbon neutral press. We no longer print 'free sheets' for our shows and instead made them downloadable pdfs sent out to customers prior to performances, and ticketing is digital rather than printed. We have food waste recycling in our café and office kitchens. Whenever possible, materials and costumes from previous shows are reused, and clothes no longer likely to be used are taken to charity shops.

Our electric van is our key form of transporting sets between our workshop and the theatre, and all other local transport needs. During the year our 46 solar (PV) panels generated 29,548.6kWh, which is enough electricity to power about 11 average homes. Through use of First Mile waste services we ensure zero to landfill, with 5,850kg of waste converted to energy and saving 15.9 tonnes of CO₂, and a 53% recycling rate for the year.

As noted above, we are continuing to improve the 'old' side of the building including the Main House. Improvements actioned this year include replacing the single-glazing in the dressing rooms.

Organisational Resilience

Strongly controlled expenditure, prioritising marketing efforts to support sales, and robust fundraising continue to be vital to ensuring the financial sustainability of the company. Throughout the year we continue to review all our supplier relationships, to ensure value for money and service.

As a charity, we are very mindful of the need to ensure our activities remain economically accessible for our audiences to sustain our community engagement – this is particularly important for families. Alongside our free, open-access play spaces and our fully funded community and school programmes, we are committed to ensuring affordable ticket prices, with £10 tickets available for every Main House performance. We sold 5,047 £10 tickets (7% of all sold tickets) – making sure our ticket prices remain accessible.

We provided paid work for over 235 people, including over 120 freelancers, and continued to support staff through training such as Access and Inclusion training. We continue to work hard to ensure our freelancers and performing companies feel part of the Polka team during their time with us, in an industry where being a freelancer can be very challenging.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025****YEAR IN REVIEW** (continued)**Organisational Resilience** (continued)

We continue to drive earned income through ancillary sales wherever appropriate, including via our café, shop and private hires. During the year just over 3,500 people came to 80 private hire events, we sold 25,983 hot drinks, and 1,876 books. Our café was deemed 'very good' in the Healthier Catering Commitment for London mark.

Our Volunteering programme continues to support operations primarily in the Visitor Services team, ensuring the best possible welcome to Polka for our audiences and participants. Over 4,810 volunteer hours were contributed across 1,449 shifts in our formal volunteering programme by 98 volunteers, with many more hours contributed by informal volunteers. We recruited 50 volunteers during the year. Our volunteers are a very diverse group, with 23% identifying as disabled, and 22% as neurodiverse; 15% identify as bisexual/gay/lesbian/queer or other. This continues to be an important programme in providing additional resource for the charity, but also to provide isolated members of the community with social activities, cementing Polka's position as a community hub.

In the previous financial year the theatre was a victim of a scam attack and what we considered to have been a mis-handling of the incident by our bankers. This resulted in loss of significant funds. In January 2025, having recovered some of the funds and taken the case to the Financial Ombudsman, Polka agreed a settlement with our bankers. At the date of signing the accounts 90% of funds have been recovered, and the Trustees consider the settlement to be in the best interests of the charity, particularly given the costs involved in taking the matter further. A sub-group of Board members, identified for their expertise and skill with finance and law, was appointed to oversee the response to the incident. A full internal review of the incident took place to identify areas where improvements could be made and actions taken to prevent similar future occurrences have included regular staff cyber-fraud training and awareness raising. The incident was also reported to the Charity Commission and through Action Fraud. Due to adequate cash reserves, the impact of this event has not affected Polka's ability to deliver operationally.

Fundraising Policy

We raise a limited percentage of our revenue funds from members of the public. We are registered with the Fundraising Regulator and all fundraising conducted on behalf of Polka, whether by committees, volunteers or staff, must comply with the Code of Fundraising Practice, Polka's policies and all relevant legislation. No complaints were received in the year about fundraising practices.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2025****YEAR IN REVIEW** (continued)**Future Plans**

In the year ahead Polka will continue to drive forward our current successful strategy and project delivery. This includes:

- Continue to develop and present an inspiring, diverse and inclusive programme of world-class theatre and complementary creative learning opportunities across 0-12 age range
- Build our national reputation and reach through significant artistic partnerships and engagement in flagship TYA sector activities
- Seek to continuously improve our building and systems for efficiency and environmental sustainability
- Balance social, artistic and financial aims for financial sustainability
- Continue to resource successful projects, including key new programmes which launched in 2024 – Catapult, the Polka Playwriting Award, Talking Tales and schools touring

During the year we will be reflecting on our strategy and developing our plans through to our 50th anniversary in 2029/30.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of its surplus or deficit for that period. In doing so, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enables them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for

POLKA CHILDREN'S THEATRE LIMITED

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31st MARCH 2025

the prevention and detection of fraud and other irregularities.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard 102.

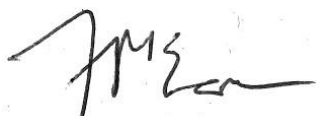
In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITOR

A resolution will be proposed at the Annual General Meeting that Buzzacott Audit LLP be re-appointed as auditor to the company for the ensuing year.

This report was approved by the Trustees on 26th September 2025

A handwritten signature in black ink, appearing to read 'Fiona McLaren', is positioned above the printed name.

Fiona McLaren, Acting Chair

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF****POLKA CHILDREN'S THEATRE LIMITED****Independent auditor's report to the members of Polka Children's Theatre Limited****Opinion**

We have audited the financial statements of Polka Children's Theatre (the 'charitable company') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF****POLKA CHILDREN'S THEATRE LIMITED****Other information** (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, 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 trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

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

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

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF****POLKA CHILDREN'S THEATRE LIMITED****Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the accounts are those that relate to the reporting framework Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011, Companies Act 2006 and those that relate to data protection (General Data Protection Regulation).

We assessed the susceptibility of the charitable company's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ reviewed journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF****POLKA CHILDREN'S THEATRE LIMITED****Auditor's responsibilities for the audit of the financial statements** (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 06 October 2025

POLKA CHILDREN'S THEATRE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31st MARCH 2025

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Total 2024 £
INCOME FROM					
Grants and donations	2	793,976	925,466	1,719,442	1,284,042
Charitable activities	3	1,776,387	-	1,776,387	1,709,424
Investment income	4	49,418	-	49,418	16,334
Other income	24	75,254	-	75,254	-
Total Income		2,695,035	925,466	3,620,501	3,009,800
EXPENDITURE ON					
Raising funds	5	141,220	-	141,220	148,901
Charitable activities					
Operation of theatre and related activities	5	2,110,957	1,121,205	3,232,162	2,951,098
Exceptional items	24	-	-	-	103,254
Total Expenditure		2,252,177	1,121,205	3,373,382	3,203,253
Net Income / (Expenditure)		442,858	(195,739)	247,119	(193,453)
Loss on disposal	9	(48,038)	-	(48,038)	-
Unrealised (losses) on investments	10	(118,235)	-	(118,235)	-
Net movement in funds		276,585	(195,739)	80,846	(193,453)
Balance at 1st April 2024		2,178,409	7,589,816	9,768,225	9,961,678
Balance at 31st March 2025		2,454,994	7,394,077	9,849,071	9,768,225

All income and expenditure is derived from continuing activities.

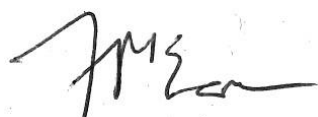
The statements of financial activities includes all gains and losses recognised during the year.

POLKA CHILDREN'S THEATRE LIMITED**BALANCE SHEET****AS AT 31st MARCH 2025**

	Notes	2025		2024	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	9		8,236,657		8,691,242
Investment Property	10		250,000		-
CURRENT ASSETS					
Stock	11	17,896		15,226	
Debtors	12	525,810		529,665	
Cash at bank and in hand		1,236,055		921,363	
		1,779,761		1,466,254	
CREDITORS: Amounts falling due within one year					
	13	(405,997)		(358,932)	
NET CURRENT ASSETS					
			1,373,764		1,107,322
Total assets less current liabilities					
			9,860,421		9,798,564
CREDITORS: amounts falling due after more than one year					
	14		(11,350)		(30,339)
NET ASSETS					
			9,849,071		9,768,225
THE FUNDS OF THE CHARITY					
Unrestricted					
General Fund	15		787,098		688,701
Revaluation Reserve	16		1,007,746		1,026,135
Designated Reserves	17		660,150		463,573
			2,454,994		2,178,409
Restricted					
Capital Project Fund	18		6,812,548		7,117,983
Capital Project Phase 2	18		200,567		-
Other Restricted Funds	18		380,962		471,833
			9,849,071		9,768,225

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard 102.

The financial statements were approved by the Board of Directors on 26th September 2025 and signed on their behalf by:



Fiona McLaren, Acting Chair

Company Number: 00938592

POLKA CHILDREN'S THEATRE LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31st MARCH 2025**

	2025	2024
	£	£
OPERATING ACTIVITIES		
Net income (expenditure) for the reporting period	80,846	(193,453)
Depreciation charge	364,962	370,248
Loss on revaluation of investment property	118,235	-
Loss on disposal of assets	48,038	-
Interest payable	3,627	6,440
Investment income	(42,043)	(16,334)
Decrease (increase) in debtors	3,855	(239,359)
Increase (decrease) in creditors	63,269	(142,327)
(Increase) in stock	(2,670)	(8,372)
Net cash provided by (used in) operating activities	638,119	(223,157)
INVESTING ACTIVITIES		
Purchase of assets	(326,650)	(119,451)
Investment income	42,043	16,334
Net cash (used in) investing activities	(284,607)	(103,117)
FINANCING ACTIVITIES		
Interest payable	(3,627)	(6,440)
Loan repayment	(35,193)	(36,201)
Cash flows from financing activities	(38,820)	(42,641)
Change in cash and cash equivalents in the reporting period	314,692	(368,915)
Cash and cash equivalents at the beginning of the reporting period	921,363	1,290,278
Cash and cash equivalents at the end of the reporting period	1,236,055	921,363

Analysis of cash and cash equivalents:

	2025	2024
	£	
Cash in hand	1,236,055	921,363
	1,236,055	921,363

POLKA CHILDREN'S THEATRE LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31st MARCH 2025****Reconciliation of changes in net debt:**

	1 April 2024 £	Cash Flows £	Other Non- cash movements £	31 March 2025 £
Cash and cash equivalents				
Cash at bank and in hand	921,363	314,692	-	1,236,055
	921,363	314,692	-	1,236,055
Borrowings				
Mortgage due within one year	(35,201)	31,566	(15,362)	(18,997)
Mortgage due after more than one year	(30,339)	-	18,989	(11,350)
	(65,540)	31,566	3,627	(30,347)
Total cash and cash equivalents	855,823	346,258	3,627	1,205,708

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2025****1. ACCOUNTING POLICIES****Accounting Convention**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102), with the Companies Act 2006, and with applicable Accounting Standards. They have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The charity is a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Going concern

The Trustees have considered the requirement that the financial statements should be prepared on a going concern basis. They have discussed the potential impact of shorter and longer term trends, such as ongoing cost of living issues, on the charity's operations in 2025-26 and beyond. They have concluded that it is appropriate that the financial statements be prepared on a going concern basis.

Risks continue to be managed through risk assessments and scenario planning as new external and internal factors arise. The 2025-26 budget includes conservative estimates on box office income and includes plans for use of the designated legacy donation. The 2026-27 forecast is based on a small surplus. The charity has on-going support from its funders, with significant grants secured focused on supporting core operations, including Arts Council England NPO status to 2027. As at the end of July 2025, the charity has secured approximately 38% of its budgeted revenue target for voluntary income or donations in 2025-26.

Taking into account the above, as well as the charity's cost base and reserves position at 31 March 2025 and having looked at least 12 months from the date of signing these accounts, the Trustees have concluded that there are no material uncertainties about the charitable company's ability to continue as a going concern.

POLKA CHILDREN'S THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2025

1. ACCOUNTING POLICIES (continued)

Income

Income represents monies received from grants and donations, from the productions staged in the theatre, or on tour, from Creative Learning activities, miscellaneous items effected through the theatre's ancillary operations and net fees receivable from productions after deducting percentages withheld by theatres. Income is deferred when admission fees are received in advance of the performances to which they relate.

Income from donations and grants is accounted for when the charity is entitled to the income, the receipt is probable and the amount can be estimated with reasonable certainty.

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

Income from charitable activities represents the total value of box office income, royalties from transfers and tours and other ancillary income received by the group from customers during the year, excluding value added tax.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The majority of costs are directly attributable to specific activities. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources and estimated amounts attributable to that activity in the year. The classification between activities is as follows:

Expenditure on raising funds includes all expenditure on fundraising events, corporate activities, and an allocation of staff costs.

Expenditure on charitable activities includes the production and administrative costs of the operation of the theatre and the production of plays, including depreciation on related assets.

Pre production costs are expended in the year they are incurred, tracked by production.

Allocation of support and governance costs

The majority of costs are directly attributable to specific activities. Office costs and property-related costs, which cannot be directly attributed to particular activities, are apportioned consistent with the use of resources. Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2025****1. ACCOUNTING POLICIES** (continued)**Tangible Fixed Assets**

Tangible fixed assets with an economic life of more than one year are capitalised if their cost exceeds £1,000.

The freehold and leasehold buildings that constitute the theatre and attached lands were revalued at £1,575,000 in the 2014 year, with the uplift in value being credited to the revaluation reserve. This was undertaken as allowed under the transition to FRS 102 with the revalued amount being treated as deemed cost from this point. The additional depreciation charge that results from this uplift in valuation is set against the revaluation fund each year.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life. The annual rates used, which are applied on a straight line basis, are currently as follows:

Freehold buildings and long term leasehold	50 years
Plant and machinery	10 years
Building redevelopment project:	
Core building	50 years
Plant and machinery	15 – 20 years
Fixtures and fittings	5 – 10 years
Theatre Equipment	3 – 15 years
IT Equipment	3 years

Investment Property

Investment property, which is property held to earn rentals, is included in the accounts at fair value which is the estimated current market value of the property based on open market value. The valuation has been determined by the Trustees after consultation with professional property advisers. Gains and losses on the revaluation of investment properties are included in the statement of financial activities.

Stocks

Stock is valued at the lower of cost and net realisable value.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

POLKA CHILDREN'S THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2025

1. ACCOUNTING POLICIES (continued)

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently valued at their settlement value.

The charity only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Pensions

All eligible and entitled workers for the company are able to participate in its registered auto-enrolment pension scheme operated by NOW Pensions. This scheme is open to any employee over 16 who has been with the company for at least 3 months and earns above the relevant earnings threshold. The company currently offers an employer's contribution of 3% of the employee's gross earnings, rising to 4% after one year of employment.

Theatre Tax Relief

Theatre Tax Relief (TTR) is taken into account when the amount recoverable can be reasonably estimated and the receipt is probable.

Taxation

Polka Theatre is a registered charity and therefore not liable to income tax or corporation tax on income derived from its charitable activities, as it falls with the various exemptions available to registered charities.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight line basis over the period of the lease.

Fund accounting

The reserves of the charity are as follows:

Restricted funds comprise monies set aside for particular projects or purposes in accordance with the instructions of the grantor.

Designated funds are monies set aside of unrestricted general funds and designated for specific purposes by the trustees.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

POLKA CHILDREN'S THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2025

1. ACCOUNTING POLICIES (continued)

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the members of the executive management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets;
- valuation of investment property; and
- apportionment of expenditure across each activity.

2. GRANTS AND DONATIONS

Polka continues to be part of Arts Council England's National Portfolio Organisations – with a renewed funding agreement for 2023-27 confirmed. We continued to build corporate support through sponsorship of events and corporate giving, and we continued to receive project and core support from a wide range of trusts and foundations.

	Unrestricted	Restricted	Total 2025
	£	£	£
Grants			
Arts Council England, London Revenue grant	580,711	-	580,711
London Borough of Merton Revenue grant	33,180	-	33,180
London Borough of Merton Project grant	-	29,347	29,347
	<u>613,891</u>	<u>29,347</u>	<u>643,238</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2025****2. GRANTS AND DONATIONS (continued)**

	Unrestricted	Restricted	Total 2025
	£	£	£
Sponsorship and Donations			
Core			
- The Vernon N Ely Charitable Trust	10,000	-	10,000
- Others	170,085	-	170,085
Access			
- The Calleva Foundation	-	51,000	51,000
- Others	-	91,560	91,560
Creative Learning			
- Icon Solutions	-	12,000	12,000
- Others	-	34,074	34,074
Volunteer Programme			
- Others	-	5,810	5,810
Building Improvement / Capital			
- Ernest Hecht Charitable Foundation	-	150,000	150,000
- Chan Yin Chuen Memorial Charitable Foundation	-	130,000	130,000
- Individual Giving / FP Families	-	3,407	3,407
- Others	-	94,244	94,244
Artist Development			
-The Garek Trust	-	45,000	45,000
Curtain Up!			
- The Garek Trust	-	45,000	45,000
- Ernest Hecht Charitable Foundation	-	30,000	30,000
- Christina Smith Foundation	-	12,000	12,000
- The Calleva Foundation	-	10,000	10,000
- The Hugo Halkes Charitable Trust	-	4,000	4,000
- Others	-	9,891	9,891
Write Here Write Now			
- Others	-	45,256	45,256
Take Your Seats			
- Others	-	7,125	7,125
Talking Tales			
- Paul Hamlyn Foundation	-	70,750	70,750
- Others	-	2	2
Schools tour			
- The Garek Trust	-	45,000	45,000
Total Sponsorship and donations	180,085	896,119	1,076,204
Total	793,976	925,466	1,719,442

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2025****2. GRANTS AND DONATIONS (continued)**

	Unrestricted	Restricted	Total 2024
	£	£	£
Grants			
Arts Council England, London Revenue grant	580,711	-	580,711
London Borough of Merton	39,784	-	39,784
Other grants	323	44,388	44,711
	<u>620,818</u>	<u>44,388</u>	<u>665,206</u>

	Unrestricted	Restricted	Total 2024
	£	£	£
Sponsorship and Donations			
Core			
- Starkie Bence Charitable Trust	72,100	-	72,100
- The Vernon N Ely Charitable Trust	10,000	-	10,000
- Others	102,834	-	102,834
Access			
- The Calleva Foundation	-	44,000	44,000
- Others	-	93,293	93,293
Creative Learning & Freefalling			
- Icon Solutions	-	12,000	12,000
- Others	-	28,065	28,065
Volunteer Programme			
- Others	-	2,000	2,000
Building Improvement / Capital			
- The Wimbledon Foundation	-	50,000	50,000
- Backstage Trust	-	25,000	25,000
- Individual Giving / FP Families	-	8,545	8,545
- Others	-	2,000	2,000
Artist Development			
- Cockayne and the London Community Foundation	-	15,000	15,000
Curtain Up!			
- Ernest Hecht Charitable Foundation	-	27,500	27,500
- The Doris Pacey Charitable Foundation	-	25,000	25,000
- Others	-	61,024	61,024
Write Here Write Now			
- Others	-	17,900	17,900
Take Your Seats			
- BBC Children in Need	-	10,000	10,000
- The Hugo Halkes Charitable Trust	-	4,000	4,000
- Others	-	8,575	8,575
Total Sponsorship and donations	<u>184,934</u>	<u>433,902</u>	<u>618,836</u>
Total	<u>805,752</u>	<u>478,290</u>	<u>1,284,042</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2025****3. INCOME FROM CHARITABLE ACTIVITIES**

	2025	2024
	£	£
Box Office	1,067,330	1,005,060
Creative Learning	126,385	128,114
Royalties, touring and co-production fees	38,344	86,038
Merchandising	39,424	43,194
Café and shop	246,912	238,342
Lettings and hires	76,916	62,934
Theatre tax relief	181,076	145,742
	<u>1,776,387</u>	<u>1,709,424</u>

4. INVESTMENT INCOME

	2025	2024
	£	£
Bank interest received	42,043	16,334
Rental income received	7,375	-
	<u>49,418</u>	<u>16,334</u>

5. EXPENDITURE

	2025	2024
	£	£
Raising Funds		
Salaries and wages	126,324	132,124
Sponsorship and events	14,896	16,777
	<u>141,220</u>	<u>148,901</u>

	2025	2024
	£	£
Charitable Activities (including support costs)		
<i>Operation of a theatre and related activities</i>		
Actors, production and Creative Learning costs	1,073,645	1,021,960
Box Office Administration costs	94,361	101,054
Café and shop costs	238,633	222,963
Direct Costs	611,471	542,794
Project costs	-	499
Central and premises costs	387,489	256,234
Depreciation	364,962	370,248
Marketing	257,384	246,862
Governance costs (see below)	204,217	188,484
	<u>3,232,162</u>	<u>2,951,098</u>

Governance costs		
Salaries and Wages	156,748	132,464
Audit and accountancy	24,250	40,071
Office costs	23,219	15,949
	<u>204,217</u>	<u>188,484</u>

POLKA CHILDREN'S THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2025

5. EXPENDITURE (continued)

	2025	2024
	£	£
Support costs		
Salaries and Wages	156,748	132,464
Central and premises costs	387,489	256,234
Depreciation	364,962	370,248
Marketing	257,382	246,862
Audit and Accountancy	24,250	40,071
Office Costs	23,219	15,948
Project costs	-	499
	<u>1,214,050</u>	<u>1,062,326</u>

6. NET INCOME/EXPENDITURE

	2025	2024
	£	£
This is stated after charging:		
Lease payments	44,000	44,000
Depreciation of owned fixed assets	364,962	370,248
Auditors' remuneration:		
- Current year statutory audit	19,750	18,500
- Prior year statutory audit	-	8,250
- Other services	4,500	5,085

7. STAFF COSTS

	2025	2024
	£	£
Wages and Salaries	1,209,013	1,069,521
Pension Contributions	35,354	32,462
Social Security Costs	92,064	84,070
	<u>1,336,431</u>	<u>1,186,053</u>

No employee earned more than £60,000 per annum (2024: none).

No members of the Board of Directors received any remuneration during the year for executive services. The Board members were not paid or reimbursed for expenses during the year.

During the year, appropriate professional indemnity insurance was purchased on behalf of the trustees and the Charity on standard market terms.

The cost of employment of Key Management Personnel amounted to £121,810 (2024: £118,497). Key Management Personnel comprise the Joint Chief Executives and the Trustees.

POLKA CHILDREN'S THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2025

7. STAFF COSTS (continued)

	2025	2024
	No.	No.
Average number of employees during the year (full time equivalent basis)		
Senior Management Personnel	2	2
Directors and performers	6	7
Sales, administration and others	28	26
	<u>36</u>	<u>35</u>

The average number of employees (headcount) during the year was 39 (2024: 37).

8. INTEREST PAYABLE

	2025	2024
	£	£
Mortgage loan interest	<u>3,627</u>	6,440
	<u>3,627</u>	<u>6,440</u>

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings	Short leasehold land and buildings	Leasehold Improve- ments	Building Re- development Project	Plant and Machinery	Total
	£	£			£	£
Cost						
At 1 April 2024	1,050,000	950,000	43,440	7,786,905	35,999	9,866,344
Additions	218,294	-	68,890	39,466	-	326,650
Disposals	(51,562)	-	-	-	-	(51,562)
Reclassification	(379,232)	-	(15,745)	15,745	-	(379,232)
At 31 March 2025	<u>837,500</u>	<u>950,000</u>	<u>96,585</u>	<u>7,842,116</u>	<u>35,999</u>	9,762,200
Depreciation						
At 1 April 2024	146,958	190,000	4,777	828,267	5,100	1,175,102
Charge for the year	20,292	19,000	8,129	313,941	3,600	364,962
Reclassification	(10,997)	-	-	-	-	(10,997)
Disposals	(3,524)	-	-	-	-	(3,524)
At 31 March 2025	<u>152,729</u>	<u>209,000</u>	<u>12,906</u>	<u>1,142,208</u>	<u>8,700</u>	1,525,543
Net book value						
At 31 March 2025	<u>684,771</u>	<u>741,000</u>	<u>83,679</u>	<u>6,699,908</u>	<u>27,299</u>	8,236,657
At 31 March 2024	<u>903,042</u>	<u>760,000</u>	<u>38,663</u>	<u>6,958,638</u>	<u>30,899</u>	8,691,242

10. INVESTMENT PROPERTY

	2025	2024
	£	£
Balance brought forward at 1 April	-	-
Reclassification from Tangible Fixed Assets	368,235	-
Loss on Revaluation	<u>(118,235)</u>	-
Balance carried forward at 31 March	<u>250,000</u>	-

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2025****10. INVESTMENT PROPERTY** (continued)

The fair value of the company's investment property has been arrived at on the basis of advice provided in July 2025 (and agreed by the Trustees to be not materially different from what the position would be at 31 March 2025) by an independent FRICS RICS registered valuer from a local agency, who are not connected with the company. The valuation advice was made on an open market value basis by reference to market evidence of transaction prices for similar properties, and with acknowledgement of the unique situation of the flat (lying above the café with which it shares a Title). The valuation advice is based on the assumption that a separate Title would need to be created for the flat with peppercorn ground rent with all services independent of the ground floor and with vacant possession provided.

The Loss on Revaluation results from the remodelling of the site to create a separate investment property, and to undertake building works to sure up the decaying fabric of the building which is attached to Polka Theatre. The work was financed through funded income received for that specific purpose. The investment property will be used to create long-term future rental income to support the financial sustainability of the company.

11. STOCKS

	2025	2024
	£	£
Books	4,470	5,688
Café	3,801	2,768
Shop	9,625	6,770
	<u>17,896</u>	<u>15,226</u>

12. DEBTORS

	2025	2024
	£	£
Trade debtors	5,467	46,098
Prepayments and accrued income	520,233	483,464
Other debtors	110	103
	<u>525,810</u>	<u>529,665</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Mortgage loan (secured)	18,997	35,201
Other taxes and social security costs	23,711	23,968
Other creditors	363,289	299,763
	<u>405,997</u>	<u>358,932</u>
Deferred income		
Balance at 1 April	148,508	188,542
Deferred income released in the year	(148,508)	(188,542)
Resources deferred in the year	101,443	148,508
Deferred income at 31 March	<u>101,443</u>	<u>148,508</u>

Included within deferred income is an amount of £100,641 (2024 - £125,467) relating to ticket sales received in advance for productions that will take place in 2025/26.

POLKA CHILDREN'S THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2025

14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2025	2024
	£	£
Mortgage loan (secured)	<u>11,350</u>	<u>30,339</u>
	11,350	30,339
Repayable between one and five years	<u>11,350</u>	<u>30,339</u>
	11,350	30,339

The charity has a loan from Barclays, the capital value of which was £208,000 prior to any repayment. The loan is secured by a legal charge over 244, 246 and 248 The Broadway and over 252 and Land at Back of 254 The Broadway. The loan is for a term of 20 years, from 7 December 2007 to 7 December 2027. Interest on the loan is charged at 2.5% per annum over the Bank of England's base rate. Repayment shall be made in monthly instalments of £1,830.36.

The charity has a loan from Barclays, the capital value of which was £230,000 prior to any repayment. The loan is secured by a legal charge over 244, 246 and 248 The Broadway, over 252 and Land at Back of 254 The Broadway, and over 250/252 The Broadway. The loan is for a term of 15 years, from 12 November 2010 to 12 November 2025. Interest on the loan is charged at 4.29% per annum fixed for 5 years from the date of draw down. At the end of 5 years, interest is charged at 2.54% per annum over the Bank of England's base rate. Repayment shall be made in monthly instalments of £1,742.14 decreasing to £1,637.72 after five years.

15. GENERAL FUND

	At 1 April 2024	Income	Expenditure	Transfers	Gains/Loss	At 31 March 2025
	£	£	£	£	£	£
Unrestricted funds	<u>688,701</u>	<u>2,695,035</u>	<u>(2,230,365)</u>	<u>(200,000)</u>	<u>(166,273)</u>	<u>787,098</u>
	At 1 April 2023	Income	Expenditure	Transfers	Gains/Loss	At 31 March 2024
	£	£	£	£	£	£
Unrestricted funds	<u>657,862</u>	<u>2,429,410</u>	<u>(2,398,913)</u>	<u>342</u>	<u>-</u>	<u>688,701</u>

The transfer relates to changes in Designated Funds agreed by the Trustees in the year, being the return of £30,000 Flat Redevelopment Fund to General Funds (not required for the project) and creation of two new Designated Funds - Building Improvement Fund (£150,000) and Website & Digital Fund (£80,000). See note 17.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2025****16. REVALUATION RESERVE**

The freehold and leasehold buildings were revalued at £1,575,000 in the 2014 year, with the uplift in value being credited to the revaluation reserve. This was undertaken as allowed under the transition to FRS102 with the revalued amount being treated as deemed cost from this point. The additional depreciation charge that results from this uplift in valuation is set against this fund each year.

	At 1 April 2024	Income	Expenditure	Transfers	At 31 March 2025
	£	£	£	£	£
Revaluation reserve	1,026,135	-	(18,389)	-	1,007,746
	At 1 April 2023	Income	Expenditure	Transfers	At 31 March 2024
	£	£	£	£	£
Revaluation reserve	1,044,524	-	(18,389)	-	1,026,135

17. DESIGNATED RESERVES

	At 1 April 2024	Income	Expenditure	Transfers	At 31 March 2025
	£	£	£	£	£
Equipment	17,113	-	(3,423)	-	13,690
Capital Project	234,992	-	-	-	234,992
Flat Redevelopment Fund	30,000	-	-	(30,000)	-
Anne Ross Legacy fund	181,468	-	-	-	181,468
Building & Theatre Maintenance Fund	-	-	-	150,000	150,000
Website & Digital Fund	-	-	-	80,000	80,000
	463,573	-	(3,423)	200,000	660,150

The Equipment fund incorporates funds raised which depreciate against the life of the equipment.

The Capital Project fund and Flat Redevelopment Fund are General Funds designated by the Trustees for use on the building redevelopment and flat redevelopment respectively. The Flat Redevelopment Fund was closed at the end of the year following the project completion, with the remaining funds returned to general use.

The Anne Ross Legacy fund was created following receipt of a one-off legacy and will be used to support creation of productions during the period 2025-2028.

The Building & Theatre Maintenance Fund was set up as an ongoing fund for new theatre equipment upgrades, building improvement projects and significant maintenance items that may arise beyond the scope of the normal annual budget.

The Website and Digital Fund was set up for use in purchasing a new website and digital improvements planned during 2025-2027.

POLKA CHILDREN'S THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2025

17. DESIGNATED RESERVES (continued)

	At 1 April 2023	Income	Expenditure	Transfers	At 31 March 2024
	£	£	£	£	£
Equipment	20,536	-	(3,423)	-	17,113
Capital project	234,992	-	-	-	234,992
Flat Redevelopment fund	-	30,000	-	-	30,000
Anne Ross Legacy fund	109,368	72,100	-	-	181,468
Chan Yin Chuen Memorial Charitable Foundation	75,000	-	(75,000)	-	-
	<u>439,896</u>	<u>102,100</u>	<u>(78,423)</u>	<u>-</u>	<u>463,573</u>

18. RESTRICTED FUNDS

	At 1 April 2024	Income	Expenditure	Transfers	At 31 March 2025
	£	£	£	£	£
CAPITAL PROJECT FUND					
Theatre Redevelopment Fund	7,117,983	3,407	(308,842)	-	6,812,548
	<u>7,117,983</u>	<u>3,407</u>	<u>(308,842)</u>	<u>-</u>	<u>6,812,548</u>
This comprises:					
Capitalised costs	6,958,639	-	(313,942)	55,212	6,699,909
Unspent funds	159,344	3,407	5,100	(55,212)	112,639
	<u>7,117,983</u>	<u>3,407</u>	<u>(308,842)</u>	<u>-</u>	<u>6,812,548</u>
Capital Phase 2					
Building Improvement Fund	77,000	123,591	(6,889)	-	193,702
Window Replacement Fund	7,723	-	(858)	-	6,865
	<u>84,723</u>	<u>123,591</u>	<u>(7,747)</u>	<u>-</u>	<u>200,567</u>
This comprises:					
Capitalised costs	7,723	68,890	(7,747)	-	68,866
Unspent funds	77,000	54,701	-	-	131,701
	<u>84,723</u>	<u>123,591</u>	<u>(7,747)</u>	<u>-</u>	<u>200,567</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2025****18. RESTRICTED FUNDS** (continued)

	At 1 April 2024	Income	Expenditure	Transfers	At 31 March 2025
	£	£	£	£	£
OTHER RESTRICTED FUNDS					
Original Theatre Fund	224,811	-	(8,975)	-	215,836
Write Here, Write Now	17,900	45,257	(59,880)	-	3,277
Freefalling	27,000	46,074	(51,074)	-	22,000
Access	22,500	117,560	(124,260)	-	15,800
Access Productions	-	25,000	-	-	25,000
Curtain Up!	29,000	110,891	(135,891)	-	4,000
Talking Tales	-	70,751	(40,001)	-	30,750
Take Your Seats	20,000	7,125	(20,125)	-	7,000
Vehicle Fund	30,899	-	(3,600)	-	27,299
Flat Redevelopment	-	280,000	(280,000)	-	-
Playwriting Award	15,000	45,000	(30,000)	-	30,000
Volunteer Programme	-	5,810	(5,810)	-	-
School tours	-	45,000	(45,000)	-	-
	387,110	798,468	(804,616)	-	380,962
TOTAL	7,589,816	925,466	(1,121,205)	-	7,394,077

Theatre Redevelopment Fund For use during the Future Polka redevelopment project, begun in 2019 and completed in 2021/22, and for future major capital works.

Original Theatre Fund Relating to the original building project to create the theatre in 1979.

Vehicle Fund For use against the depreciating cost of the Polka van.

Flat Redevelopment For use during investment property redevelopment 2024/5.

Capital Phase 2 Fund For use against improvements to all parts of the building.

Volunteer Programme For use against Polka's formal volunteering programme.

Restricted project funds:

Write Here Write Now

Freefalling

Access

Access Productions Restricted funds that are for specific projects delivered by the Creative Learning and Producing departments, to which restricted funds received in advance of the activities taking place are assigned. These funds change annually according to the theatre's project programming, and may be one-off short-term or ongoing annual projects.

Curtain Up!

Talking Tales

Take Your Seats

Mapping

Playwriting Award

Schools Tour

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2025****18. RESTRICTED FUNDS (continued)**

	At 1 April 2023	Income	Expenditure	Transfers	At 31 March 2024
	£	£	£	£	£
CAPITAL PROJECT FUND					
Theatre Redevelopment Fund	7,436,871	8,545	(327,433)	-	7,117,983
	<u>7,436,871</u>	<u>8,545</u>	<u>(327,433)</u>	<u>-</u>	<u>7,117,983</u>
This comprises:					
Capitalised costs	7,187,348	-	(323,833)	95,124	6,958,639
Unspent funds	249,523	8,545	(3,600)	(95,124)	159,344
	<u>7,436,871</u>	<u>8,545</u>	<u>(327,433)</u>	<u>-</u>	<u>7,117,983</u>
	At 1 April 2023	Income	Expenditure	Transfers	At 31 March 2024
	£	£	£	£	£
OTHER RESTRICTED FUNDS					
Original Theatre Fund	233,786	-	(8,975)	-	224,811
Write Here, Write Now	26,000	17,900	(26,000)	-	17,900
Freefalling	27,990	40,065	(41,055)	-	27,000
Access	11,250	137,293	(126,043)	-	22,500
Curtain Up!	23,000	113,524	(107,524)	-	29,000
Take Your Seats	17,000	22,575	(19,575)	-	20,000
Vehicle Fund	34,499		(3,600)	-	30,899
Building Improvements Fund	9,000	76,923	(858)	(342)	84,723
Mapping	-	44,465	(44,465)	-	-
Playwriting Award	-	15,000	-	-	15,000
Volunteer Programme	-	2,000	(2,000)	-	-
	<u>382,525</u>	<u>469,745</u>	<u>(380,095)</u>	<u>(342)</u>	<u>471,833</u>
TOTAL	<u>7,819,396</u>	<u>478,290</u>	<u>(707,528)</u>	<u>(342)</u>	<u>7,589,816</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2025	Net			Total
	Fixed Assets	Current Assets	Creditors > 1 year	
	£	£	£	£
Unrestricted Funds				
General Fund	453,311	345,137	(11,350)	787,098
Revaluation Reserve	1,007,746	-	-	1,007,746
Designated Funds	13,690	646,460	-	660,150
Restricted Funds				
Capital Project Fund	6,699,909	112,639	-	6,812,548
Capital Phase 2	68,866	131,701	-	200,567
Other Restricted Funds	243,135	137,827	-	380,962
	<u>8,486,657</u>	<u>1,373,764</u>	<u>(11,350)</u>	<u>9,849,071</u>

POLKA CHILDREN'S THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2025

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

2024	Fixed Assets	Net Current Assets	Creditors > 1 year	Total
	£	£	£	£
Unrestricted Funds				
General Fund	217,522	501,518	(30,339)	688,701
Revaluation Reserve	1,026,135	-	-	1,026,135
Designated Funds	17,113	446,460	-	463,573
Restricted Funds				
Capital Project Fund	6,958,639	159,344	-	7,117,983
Other Restricted Funds	471,833	-	-	471,833
	<u>8,691,242</u>	<u>1,107,322</u>	<u>(30,339)</u>	<u>9,768,225</u>

20. FINANCIAL COMMITMENTS

At the year end, the charity had future minimum lease payments under operating leases as follows:

	2025	2024
	£	£
Land & Buildings		
Due in less than 1 year	44,000	44,000
Due in between 2 and 5 years	48,219	92,219
Due in more than 5 years	-	-
	<u>92,219</u>	<u>136,219</u>

21. LEGAL STATUS

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

22. TAXATION

The company is a registered charity and no taxation liabilities arise from its charitable activities.

23. RELATED PARTIES

Trustees made donations in the year totalling £58,165 (2024: £14,063). Trustees pay the normal admission charge when they attend performances and other events.

There were no further related party transactions within the year.

24. EXCEPTIONAL ITEMS

This relates to the recovery of funds as a result of the scam referred to on page 16 of the trustees' report, and is shown as Other Income on the Statement of Financial Activities for this year.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2025****25. COMPARATIVE FIGURES FOR THE STATEMENT OF FINANCIAL ACTIVITIES AS REQUIRED BY FRS 102**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2024 £
INCOME FROM				
Grants and donations	2	805,752	478,290	1,284,042
Charitable activities	3	1,709,424	-	1,709,424
Investment income	4	16,334	-	16,334
Total Income		2,531,510	478,290	3,009,800
EXPENDITURE ON				
Raising funds	5	148,901	-	148,901
Charitable activities			-	
Operation of theatre and related activities	5	2,243,570	707,528	2,951,098
Building redevelopment project		-	-	-
Exceptional items	24	103,254	-	103,254
Total Expenditure		2,495,725	707,528	3,203,253
Net (Expenditure) / Income		35,785	(229,238)	(193,453)
Transfers between funds	18	342	(342)	-
Net movement in funds		36,127	(229,580)	(193,453)
Balance at 1st April 2023		2,142,282	7,819,396	9,961,678
Balance at 31st March 2024		2,178,409	7,589,816	9,768,225

POLKA CHILDREN'S THEATRE LIMITED

England & Wales - Charity number 256979

Accounts



POLKA CHILDREN'S THEATRE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2024

Registered Charity Number 256979

Registered Company Number 00938592

POLKA CHILDREN'S THEATRE LIMITED

Annual Report and Financial Statements for the year ended 31st March 2024

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POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2024**

The trustees are pleased to present their report together with the financial statements of the charitable company for the year ended 31st March 2024.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number:	256979
Company Number:	00938592
Company Secretary	Lynette Alston
Principal Office:	240 The Broadway, Wimbledon, London SW19 1SB
Auditor	Buzzacott LLP, 130 Wood Street, London, EC2V 6DL
Bankers	Barclays Bank plc, 8 Alexandra Road, Wimbledon, London SW19 7JZ

Directors and Trustees

The Directors of the charitable company (the Company) are its Trustees for the purpose of charity law. Throughout this report they are collectively referred to as the Trustees. The following served as Trustees during the year and up to the date of signing this report, except where shown:

Chair:	Dominic Proctor
Deputy Chair:	Fiona McLaren
Treasurer:	Vincent O'Brien

Michael Bradley
Alison Harpur
Emily Vaughan-Barratt (retired 28th February 2024)
Victoria Aspden
Arif Saad
Kellie Williams-Jauvel
Michael Lord
Catherine Manuel
Helen Clark Bell

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2024****A VIEW FROM THE CHAIR**

This year saw us continue to successfully build back the momentum which had been lost to the twin challenges of our temporary-closure, which enabled the wonderful refurbishment of our building, and then the atrocious pandemic and its devastating consequences for children, our audiences and our business. Actually, by most measures it was a very positive year, certainly with more ladders than snakes!

At the heart of the recovery has been a strong focus on producing outstanding and inspiring material for our stages and our workshop spaces (not forgetting our audiences in the community and "on the road"). You will see from the data in this report that our growth numbers are positive and encouraging, with more and more children experiencing the magic of Polka.

We never forget that one of our core objectives is to ensure that this magical work is experienced by children from all backgrounds and our achievements in this respect were strong in 2023/24. Moreover there is a robust framework in place to build on this specific and crucial objective.

The tough reality is that support from Public funds (whether local, national, or international) is uncertain and declining. And schools' budgets too are at least under serious pressure and in many cases have disappeared. Furthermore we are determined to resist any temptation to raise our ticket prices beyond the reach of our wide audience. In aggregate what this all means is an increasing reliance on raising more funds from our magnificent and loyal supporters (although with significant changes to the trust & foundation landscape that is also a challenge).

I have no doubt that we already have the most crucial resource to enable us to continue to grow...our team! Our staff are brilliant and highly committed, they are expertly led by our excellent Senior Management Team, and they are supported by a small army of over 100 energetic volunteers. The Board is strong, skilled and committed. I am very grateful to all of these groups for their dedication to Polka.

Polka is a leader in our important sector, a much-cherished institution, a place which the creative community wants to be part of, and a place which our audiences love coming to. We are well set to continue to meet our objectives.

Dominic Proctor,

Chair, Board of Trustees

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2024****STRUCTURE, GOVERNANCE AND MANAGEMENT****Governing Document**

Polka Children's Theatre Limited is a company incorporated in England and Wales, limited by guarantee, and governed by its Memorandum and Articles of Association dated 10th September 1968 and amended to allow for current governance arrangements on 16th October 1987, 14th October 1993 and 8th February 2012. It is registered as a charity with the Charity Commission.

Appointment of Trustees

As set out in the Articles of Association, the Trustees have the power at any time to appoint any person to be a member of the Board, either to fill a casual vacancy or as an additional member of the Board. Any person so appointed holds office only until the next Annual General Meeting and is then eligible for re-election. At each Annual General Meeting, one-third of the members of the Board retire from office.

Trustee Induction and Training

New Trustees receive briefings on the history of the company, their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Board and decision-making processes, the company plan and recent financial performance of the company.

Organisation

The Board of Trustees determines the long-term objectives of the company. It meets quarterly and detailed oversight is further assured through a structure of Board Working Groups covering finance, development, operations, artistic and creative learning programming, and marketing and commercial activities. The Board appoints executive officers, not being members of the Board, to discharge the artistic, administrative and other duties necessary for the proper functioning of the company.

The remuneration of the Executive Officers is recommended to the Board of Trustees by the Finance Working Group with reference to comparable salary levels within the subsidised theatre sector.

Executive Officers: Helen Matravers, Joint Chief Executive and Artistic Director
 Lynette Alston, Joint Chief Executive and Company Secretary

The Executive Officers represent Key Management Personnel and their cost of employment for the year totalled £118,497.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2024****STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)**Public Benefit**

In shaping Polka's objectives for the year and planning our activities, the Trustees considered the Charity Commission's guidance on public benefit and fee charging. The Theatre relies on grants and the income from sales, fees and charges to cover its operating costs. In setting the charity's programme of work and the level of fees, charges and concessions, the Trustees gave particular consideration to the accessibility of the theatre for those on low incomes and those with least opportunity to participate in cultural activities.

Objectives and Activities

The charitable objects of the company are to promote, maintain, improve and advance education, particularly by the production of plays for children and the encouragement of the arts, including the arts of drama, mime, puppetry, dance, singing and music.

The overarching mission of the organisation is *to empower children to navigate their world through inspirational theatre and creative experiences*. Polka wants to give as many children as possible, from all backgrounds, the opportunity to experience thrilling, innovative, world-class theatre, and creative learning opportunities, in a welcoming space that they can call their own.

Strategic Objectives

1. Produce an inspiring, diverse and inclusive programme of world-class theatre and creative learning opportunities for children aged 0-12
2. Be a locally, nationally and internationally valued organisation
3. Provide a welcoming and inclusive space dedicated to the playful inspiration of children, where families, schools and communities come together
4. Give as many children as possible, from all backgrounds, the opportunity to access the enriching theatre experiences Polka offers
5. Support children's learning and personal development
6. Drive pioneering practice within children's theatre
7. Be a financially sustainable and environmentally responsible organisation
8. Provide a respectful, inclusive and supportive environment for staff and volunteers to achieve their best for our beneficiaries

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2024****STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)**Our Values**

- Child-centred - placing children at the heart of everything Polka does
- Community - engaging our diverse communities of children, families, educationalists and artists
- Excellent - pioneering, adventurous, offering the highest quality
- Memorable - creating magical, meaningful experiences
- Inclusive - welcoming, accessible, nurturing, supportive, representative

Overview

This was the second full year of venue-based operations after a 2.5 year closure for our major capital redevelopment, extended by the impact of the Covid-19 pandemic.

By the end of the year over 136,000 people had experienced our work (YE 2023: 115,000), including over 114,000 who visited our theatre venue (YE 2023: 98,000) and 20,400 who took part in Creative Learning activities (YE 2023: 20,000). We produced 9 in-house productions and co-productions, and received 16 visiting companies at our Wimbledon venue. We also had 6 productions on tour, including a two week schools tour, and two performances at the Visioni Festival in Bologna, Italy.

This year marked Helen Matravers' first full year in the role of Artistic Director and Joint CEO (alongside Executive Director, Lynette Shanbury), who has brought a renewed energy to the artistic vision of the company. We employed over 240 staff, including over 139 freelancers. 112 people gave their time as volunteers, and 5,450 volunteer hours were contributed through our formal volunteering programme, with many more contributed by informal volunteers.

Finance

Given the economic climate, the Board agreed to run a planned deficit for the year, utilising designated funds alongside some free reserves. The aim was to support the momentum of growth of the company following reopening, and provide our community and children with services they need at this challenging time. We continued to feel the impact of growing overhead costs, particularly around staff cost increases due to our ongoing commitment to being an ethical Living Wage Employer. High energy prices and other generally higher costs of overheads such as cleaning, IT and building management services, are continuing to be hugely challenging and we are grateful for those supportive funders who have recognised this. As costs increase we must increasingly seek support through fundraising and individual donors to sustain a quality programme which is economically accessible to all (see 'Year in Review' section for more details of our funded and free activities).

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2024****STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)**Finance** (continued)*Revenue*

Polka operates a mixed funding model, with both earned and funded income vital to enable the company to operate effectively. Our box office performed strongly during the year, due to careful marketing and well-chosen productions which attracted audiences, supported by expansion of our free, fully-funded ticketing programmes. The legacy of the pandemic continued to cause cancellations of some performances, as staff and artists fell ill, and demonstrated the impact the pandemic has had on general physical and mental resilience of workers in all fields. New mitigating actions, including bringing understudies in to cover the key main house festive period, were deemed essential to protecting the company's reputation but added to expenditure.

Our school audiences also continued to be affected by both the legacy of Covid-19, and continued tightening of school budgets. Thanks to generous support from funders we were able to continue our expanded Curtain Up! programme (free tickets to schools who otherwise were unable to afford to visit the theatre), giving away 6,000 tickets during the academic year (previously 4,000), which we are continuing to do as long as we are able to fundraise sufficiently. Alongside strong cost control, support from funders, both public and private, proved fundamental in sustaining the core function of the organisation during this challenging year, with only 57% of our income coming from earned sources during the year (51% in YE 2023).

Support from Arts Council England continued to be vital, accounting for 20% of our income (22% in YE 2023). We have continued as an Arts Council England National Portfolio Organisation for the 2023-26 period, which demonstrates Polka's ongoing importance in the English theatre ecology. However the standstill nature of the funding (essentially representing a real-terms cut) continues to present a significant challenge to ongoing operations. Our EU funding through Culture Europe came to an end in 2023/4, following Brexit, after over a decade of successful Creative Europe project support. Receiving real-terms funding cuts at local, national and international level places significant pressure on our operations and breadth of reach.

Looking ahead, delivering quality work at a time of declining public funding and growing overhead costs remains an on-going challenge. Polka is well placed to meet the priorities of public funders in such areas as creative education for children, health and wellbeing, community engagement and community cohesion, representation and diversity. These priorities will continue to be pressing over the next few years as we respond to the long-term impacts of the pandemic on children, the needs of schools facing increasing budgetary and timetable/curriculum pressures, and the cost-of-living challenges for many families.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2024****STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)**Risk Management**

The Board of Trustees has a risk management strategy which comprises:

- A regular review of the risks that the company may face, reviewed at each quarterly Board meeting
- The establishment of strategies and procedures to mitigate those risks
- The implementation of procedures designed to minimise any potential impact on the company should those risks materialise.

The principal risks and mitigations identified at 31st March 2024 were:

- High workload and stress on staff arising from a challenging sector environment – additional temporary staffing and outsourcing is used to support key periods of high activity; mental health resources and training, alongside social activities, have also helped support staff.
- Loss of key staff, especially at senior level, with salary inflation and inability to fill key staff roles, plus a sector skills drain particularly in key areas such as technical support – addressed by robust recruitment processes and focus on team wellbeing and positive organisational culture and benefits to sustain Polka as an inclusive and happy place, and attract and retain staff; salary benchmarking to ensure competitiveness; where practicable, we recruit for aptitude and provide training. Although staff turnover is challenging, Polka is proud to support talent development and staff training for people who will go on to work in the wider sector.
- Pressure on finances with rising costs of overheads and materials, higher energy prices, greater competition on funding, real-term funding cuts at local, national and international level, and challenges in raising box office and other earned income – addressed by tight cost control, reducing borrowing costs where possible and being responsive to opportunities for development; focusing on core aims of the charity to prioritise areas of delivery; continuing to build understanding of our position and strong relationships with current and new funders.
- Ongoing impact of outstanding defects from the capital project, after the main contractor went into Administration in February 2024 – addressed by setting short and long-term plans to reduce the impact on our daily operations and plan for how to undertake the required works in a timely but manageable way.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2024****STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)**Risk Management** (continued)

Attention has also been given to non-financial risks arising from the health and safety of staff and child protection, which are standing items on the risk register. These risks are managed by having robust policies and procedures in place, providing regular training for staff working in these operational areas and monitoring by staff safety and safeguarding teams, with oversight by the Board. Polka's Working Group structure enables a wider range of stakeholders to input to and influence decision making within the organisation, focusing on key areas including Artistic, Operations, Finance, Community, Teachers/Schools and Young Voices.

Reserves Policy

The Trustees have reviewed the company's reserves policy in line with the guidance issued by the Charity Commission and recognise the need to safeguard the organisation against potential reductions in grant-aided income, fluctuations in earned income and unplanned expenditure, particularly emergency repairs and maintenance to the theatre premises going forward. They also note the particular situation caused by the legacy of the pandemic, and the impact of cost-of-living on our wider community and staff team. They consider that unrestricted general reserves should be maintained at a level at least equal to three months' "core" revenue operating expenditure, which, at normal operating levels equates to approximately £325,000.

In compliance with this policy, the unrestricted general reserves at 31st March 2024 amounted to £688,701 (2023: £657,862).

The Trustees recognise that unrestricted reserves may need to be utilised to support operations in this unprecedented environment (any such use will be agreed through the usual governance structure of the organisation). Nevertheless, Trustees consider that the current reserve levels remain appropriate for the organisation. In addition, the Board designates reserves for specific purposes out of unrestricted funds each year as required when approving the annual accounts. Expenditure out of designated reserves is then approved in accordance with normal authorisation policies. Designated reserves at 31st March 2024 amounted to £463,573 (2023: £439,896) (see Note 16 to the Accounts).

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2024****YEAR IN REVIEW**

Polka, based in Wimbledon, South West London, is a pioneering national theatre for children. The first UK venue to be created exclusively for young audiences, we specialise in work for children aged 0-12 years and remain one of very few theatres in the UK that regularly commissions and produces new work for children in this age range. Since 1979, we have built a local, national and international reputation and are recognised for the quality of our productions through which children explore the world and their relationship to it. We are at the forefront of developments in work for Early Years audiences and we champion 'Young Voices', providing children with a platform for their ideas and opinions by developing productions derived from their ideas and involving them in the creative process. We provide enabling, nurturing and safe environments to stimulate young minds and imaginations, and fuel a sense of discovery and open play.

Headlines for 2023/4

- Over 136,000 individual children and adults have experienced Polka's activities, with over 114,000 people coming to our venue – in total over 148,000 attendances at events and activities (including repeat attendances)
- 25 productions seen by 86,000 audience members at Polka across 748 performances, plus six productions toured to venues nationally and internationally reaching over 18,600 audience members
- Over 20,000 school children saw performances at Polka and our hip-hop inspired production of Romeo & Juliet toured to schools reaching a further 1,100 children
- 8,143 free tickets were given out via our fully-funded school and community free tickets programmes (nearly 10% of all tickets)
- 34 adapted access performances with 2,982 audience members
- 1,219 creative learning events attended by over 20,000 individual participants – over 50% of all participants took part for free
- 11,500 children and adults made use of our free, open access play spaces
- 25 young people took part in our annual work experience week
- Worked with 224 schools across London and the South East, with our funded projects primarily focused on East Merton, Croydon and Wandsworth
- 4,000+ children attended school workshops and nearly 1,000 at holiday workshops
- Provided free breakfasts to children in summer holidays and a designated Warm Welcome space in the winter
- 112 volunteers gave their time (5,450 hours volunteered) – winner of Volunteer Manager of the Year at Merton Civic Pride Awards
- Time & Leisure Food & Culture Award winner for Family Attraction of the Year, and finalists in two other categories
- Winner of Best in Creative Sector, and runner up for Team of the Year, at Merton Best Business Awards

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2024****YEAR IN REVIEW** (continued)**Productions, Touring and Professional Development**

In total just over 104,000 children and adults attended performances of shows (YE 2023: 85,000), across 748 performances in house and 181 performances on tour.

In the Main Theatre, we began the year with *The Lost Spells*, a new production by Goblin Theatre and co-produced with Polka, Watford Palace and Theatre by the Lake. The production opened at Watford in spring 2023 with brilliant reviews from the Guardian (****...*enchanting musical has an abundance of magic*, The Guardian) and The Stage, before transferring to Polka for a 5 week run. This nature-themed new musical, based on the beautiful book by Robert Macfarlane and illustrated by Jackie Morris, received a fantastic reception by school and public audiences.

Our Main House production for the summer was the newly commissioned *Hairy* created by the UK's leading physical comedy ensemble Spymonkey, in a co-production with Worthing Theatres and Museums. This devised production, Spymonkey's first production aimed at children, followed the adventures of Hairnry the hair follicle on his quest to become a head hair. With themes of understanding difference and helping your friends, this anarchic show was a joyful summer production. The production transferred to Worthing for a week following its six week run at Polka, and received an Offies Award nomination for Best Design.

Following an autumn visitor season, our festive winter production was *The Snow Queen*, a new commission scripted by Jude Christian and directed by Emma Baggott. Over 16,000 children and adults enjoyed this new writing commission. For the first time this year we made the financially challenging but reputationally essential decision to invest in understudies, safeguarding the vital festive period of shows, and all performances went ahead. During rehearsals, three directing mentees joined the team.

In the spring we opened *Tidy* – a co-production with Welsh company Theatre Iolo. Directed by Lee Lyford and based on the book by Emily Gravett, it was co-created with Rachael Canning and Lucy Rivers. Following Pete the Badger as he tidies up his forest beyond recognition, the story is about protecting and recognising the value of the natural world around us. The production was hugely popular, exceeding box office targets, and receiving four Offies Award nominations. It will undertake a Welsh-language tour with Theatre Iolo in the future.

Finally in the Main House we started our run of *The Three Billy Goats Gruff*, a fully-inclusive co-production with Derby Theatre and Hiccup Theatre, directed by Derby's Artistic Director Sarah Brigham, which will be the first of a three year programme of collaboration. With BSL as the first language of the show, and integrated audio description and creative captioning throughout, this cemented our commitment to inclusive theatre production and shared learning with the Derby team.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2024****YEAR IN REVIEW** (continued)**Productions, Touring and Professional Development** (continued)

In the Adventure Theatre we started the year with *Let's Build!*, a minimal language, clowning show for age 2-5 which was our second co-production as part of the Culture Europe funded *Mapping* programme, exploring the best in international Early Years theatre practice. It was inspired by the outcome of a series of workshops involving Pupils from Merton Abbey Primary school. The devised production, directed by Trina Haldar, explored imaginative play and ended with the audience joining in to build things out of the props and their own seats. In the autumn, the production also gave two performances at the Visioni Festival in Bologna, Italy, as part of their *Mapping* festival programme.

For the summer, we revived the ever popular *The Everywhere Bear*, a co-production with Little Angel Theatre and Royal & Derngate Northampton. The production ran for 11 weeks, before transferring in the spring to Little Angel Theatre. The revival received two OffWestEnd Award nominations. For the festive season, we revived our 2021 production of *The Night Before Christmas*, also a co-production with Royal & Derngate Northampton, written by Hattie Naylor and directed by Polka Associate Director Roman Stefanski.

Finally in the Adventure Theatre we completed the year by opening a new hip-hop production of *Romeo & Juliet*, in a collaboration with Beats & Elements (Conrad Murray and Lakeisha Lynch-Stevens). Designed for children aged 9+ this high energy new commission went on to complete four weeks in-house (attracting applications from Curtain Up! schools for over 800 tickets) and a tour to 9 schools, with wildly delighted audiences (***** Thoughtful and slick*, The Stage). The show received four Offies Award nominations, and Methuen Publishing also published the play-text which is now available for purchase across their outlets and in Polka's shop.

Across the year, audience feedback from post-show surveys of in-house productions was excellent and in November 2023 we undertook a general audience survey, with the following results from respondents:

- 99% said Polka has a positive impact on children's lives and would recommend to friends and family
- 96% rate the quality of Polka shows as good or excellent
- 90% of those that attended a Creative Learning workshop rated the experience as good or excellent
- 95% said the welcome in the Play Den, Café and Shop was good or excellent, with 92% saying the quality of service was good or excellent

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2024****YEAR IN REVIEW** (continued)**Productions, Touring and Professional Development** (continued)

Alongside the nine in-house productions we created, we hosted ambitious touring productions by 16 excellent UK-based Visiting Companies. This included in our Main House *The Singing Mermaid* (Little Angel Theatre), *The Adventures of the Little Red Hen* (Stuff and Nonsense Theatre Co.), *Zoe's Peculiar Journey through Time* (Theatre Rites) which included integrated BSL school and public performances, and *Oh No, George!* (Can't Sit Still). In our Adventure Theatre we welcomed two operas for babies under age two – English Touring Opera with *Under the Little Red Moon*, and HurlyBurly Theatre with *You are the Sun* – the Wardrobe Ensemble's *The Star Seekers* which journeyed through the universe, Apples & Snakes' hip hop garden block party *Plot 17*, and Krystal S. Lowe's dance theatre piece *Remarkable Rhythm*, which featured integrated audio description. We welcomed a diverse range of other performances by companies including Lyngo Theatre, Angel Exit Theatre, Little Angel Theatre, M6 Studios, Norwich Puppet Theatre, Tutti Frutti and LAsTheatre.

We are committed to ensuring that touring companies, who face huge challenges in the current economic climate, find a supportive, professional and financially viable welcome at Polka, including multi-day runs, minimum fee guarantees and strong in-house technical support.

Together with Unlimited we co-commissioned a new disabled-led production which went into production during the year, ready for staging in the Main House during 2024/25. The production did a preview week of performances at Bristol Old Vic as part of their Ferment season.

After five years, the Culture Europe funded programme *Mapping* came to a conclusion. The project, working with 17 countries including the UK representative Polka, resulted in 27 festivals, 27 new productions, 6 books, 5 exhibitions, and many collaborative workshops and meetings to share practice. The *Mapping* project research was presented at ASSITEJ International Conference in 2023.

A selection of reviews of productions from the year:

**** 'enchanted musical has an abundance of magic' The Guardian about *The Lost Spells*

**** 'This adaptation for the stage ... captures all the poetic mysticism of its source work, while remaining accessible to a predominately pre-teen audience' The Stage about *The Lost Spells*

**** 'this is one of the most ingenious kids' shows around right now. Underneath all the absurd mania, there's even a message about accepting one another for whatever we are. If you have little ones... you'd be mad to miss it.' The Stage about *Hairy*

**** 'a world away from the cosy predictability and well-worn jocularly that mark out most summer children's shows..... it's a gloriously anarchic break from the long trudge of the summer hols, and as much a treat for weary parents as twitchy kids.' Time Out about *Hairy*

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2024****YEAR IN REVIEW** (continued)**Productions, Touring and Professional Development** (continued)

**** 'This extraordinary, exhilarating and joyously ridiculous show from Spymonkey shouts to the rooftops about Polka's principles of equality, inclusion, diversity, and offering children the highest quality entertainment. It also has fart noises.' Everything Theatre about *Hairy*

↳ visually stunning production that offers a thought-provoking twist on a classic fairy story' The Family Stage about *The Snow Queen*

*** 'it's an enjoyably loopy [...] Christmas romp with something for 'Frozen' fans, Narnia heads and straight-up fairytale lovers' Time Out on *The Snow Queen*

**** When it comes to making Shakespeare relatable for young people, you would be hard pressed to beat Baz Luhrmann's 1996 film version of the tragedy of star-crossed lovers. But here is a strong contender – a streetwise, sing-through hip hop 'remix' for ages nine to 12 and up, thoughtfully devised and slickly directed' The Stage about *Romeo and Juliet*

**** This energetic and engaging hip hop-infused rendition of Shakespeare's classic centres the drama in the community of South London and in doing so makes it fiercely relevant to all audiences' Everything Theatre about *Romeo and Juliet*

Attracting major reviewers to see children's theatre, especially Early Years work, remains a challenge and we continue to work to raise the profile of and champion the importance of this fundamental part of the theatrical offer.

Staff contributed to debate and learning in the sector through involvement at various events, including our Artistic Director joining the Musical Theatre for Young Audiences panel at BEAM Festival at Oxford Playhouse. We met and received visits by international visitors including from AFTEC in Hong Kong and Toronto Young People's Theatre, sharing good practice and ideas.

We continued our relationship with Wimbledon College of Arts who made props and interactive play pieces as well as decorations for our Big Bash annual fundraiser, and presented a sharing of their work developed as part of a collaborative course module on Puppetry and Early Years performance, at Polka. Their puppetry designing and making skills were showcased in a photo exhibition in the cafe. A design student from WCA was also on placement with us for *The Snow Queen* production period.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2024****YEAR IN REVIEW** (continued)**Productions, Touring and Professional Development** (continued)

We continued to expand our adapted shows programme, delivering 34 adapted performances (YE 2023: 28) to 2,982 audience members. Adapted performances are BSL interpreted, Audio Described, Relaxed and Captioned. These are in addition to the fully inclusive performances that were programmed.

'We really enjoy our visits to the Polka Theatre. As someone who works in the D/deaf community as a British Sign Language interpreter. I'm extremely happy to see how inclusive and accessible productions are at the theatre. I also love how accessible and inclusive it is in general.' Audience feedback

As a charity, we are very mindful of the need to ensure our activities remain economically accessible for our audiences. Alongside our free, open-access play spaces and our fully funded community and school programmes (see below), we are committed to ensuring affordable ticket prices, with £10 tickets available for every Main House performance.

Creative Learning: Participation, Schools & Community

Our extensive and ambitious Creative Learning programme sits alongside our productions as a key part of our strategic delivery. In total, 20,400 individual children took part in Creative Learning Activities across 32,861 experiences. We delivered 1,219 events and estimate 81% of event participants were new to Polka. 42% of our Creative Learning activities were provided to beneficiaries for free, thanks to support from funders, and 50% of people who took part in Creative Learning activities did so for free. Our Community Working Group continued to meet quarterly, and the Teacher's Advisory Group continues to ensure we have access to advice and feedback from our beneficiaries and the wider community, reflecting their real-time needs and demands.

Community

Our *Polka Invites* community membership scheme, set up in 2021, continued – this funded 'members' programme aims to increase access to creative experiences for marginalised families in our community. These families have been referred to us by Merton Children's Centres and community groups such as Polish Families Associations, Merton SENDIS, Care4Calais, Merton Home-Start and Christian Care. Through their memberships, families are able to access free Polka production tickets, Saturday Club, Take Part holiday and termly workshops. By the end of the year we had 716 *Polka Invites* participants (179 families) taking up free tickets to shows, coming to drop-in workshops and attending Saturday Clubs. Over 680 free community tickets to shows were distributed, and 450 free places on workshops were taken up. We ran eleven free creative community workshops at venues in our local area, and across our 10 Saturday Clubs (community story-telling and creative activities) 371 participants took part.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2024****YEAR IN REVIEW** (continued)**Creative Learning: Participation, Schools & Community** (continued)*Community (continued)*

Freefalling is our long-running flagship funded programme, working with referred children who are in challenging circumstances at home or at school. For the second year, thanks to support from funders, we continued to work with two *Freefalling* groups – Freefalling Foundation and Young Company – who both performed during the summer on the Polka main theatre stage. 93% of participants said it helped with their confidence, and 100% agreed they had made new friends.

Putting children's voices at the heart of our work is a core organisational value. Our *Younger Voices* (4-6yrs) and *Young Voices* (7-12yrs) groups are our sounding board for projects, reviewing shows and activities, and giving us feedback and ideas to improve our building, ensuring children's voices remain at the heart of our work.

Free community bookings on Thursday mornings in our Clore Learning Studio sensory suite continued, allowing us to strengthen existing relationships and build new ones with a number of community and SEND groups such as Merton SENDIS, Tram House School (a BeyondAutism school), Young Parents (Merton Children's Centres), Polish Families Association and Ukrainian refugee groups, Blossom House (SEND school), isensory (Wandsworth community interest company), and SEN Talk CIC (Wandsworth based community interest company that supports children with additional communication needs).

During the winter Polka was listed as an official 'Warm Welcome Space', open 6 days per week. Despite the challenge for the venue of hugely increased energy bills, Polka's importance as a community hub and open-access free play space was retained thanks to extra support from donors. Across the year we estimate there were over 11,000 visits by people making use of our free indoor and outdoor play areas.

Over the summer holidays, in response to the cost-of-living crisis, and with local backing, we provided free breakfasts for any children who needed it in our café on all week-day mornings. In August we held a Community Fun Day at Polka, with free activities across the space and into the neighbouring church-yard. We estimate around 1,900 people attended, with activities including story circle, creative crafting, environmentally themed games and trails, and over 400 faces painted.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2024****YEAR IN REVIEW** (continued)**Creative Learning: Participation, Schools & Community** (continued)*Schools*

We worked with 224 schools during the year, through both funded and paid-for programmes.

Write Here Write Now, our funded creative writing and literacy project that supports Year 3 children, worked with 10 schools (including one SEND school). 60 children participated, writing stories together that were shared by authors and actors on our Main House stage with the children and their families invited to attend. Evaluation of the programme by an external evaluator showed 74% increase in communication skills & 68% increase in confidence to participate in class. The programme began its fourth year in spring 2024.

Our flagship *Curtain Up!* Programme continued, providing free tickets to school groups who otherwise would not be able to attend. Thanks to support from funders, and responding to the challenging financial circumstances that schools have continued to find themselves in, we were able to increase our *Curtain Up!* scheme from 4,000 to 6,000 tickets. Therefore during the year we distributed 6,215 tickets across 68 schools, of which 42% were schools new to us. Following *Curtain Up!* performances children get the opportunity to meet the performing companies and ask them questions, adding to their quality of experience.

We expanded our paid-for schools activities too, delivering a range of in-school day-long workshops, hosting schools at our venue for after show workshops, and delivering after-school activities. We offered 21 young people aged 15-17 the opportunity to undertake a week of work experience. The group spent time with all departments at Polka including production, marketing, fundraising, creative learning and visitor services, and presented their idea for a production at the end of the week. Five returned to us as volunteers. We were also featured in a film by South London Partnership Careers Hub, highlighting diverse creative industry jobs.

Participation

We have an extensive weekly workshop programme, with additional school holiday programmes. This is the second year where we have offered the Discover and Explore Arts Awards to our Act 2 and Youth Theatre children. The programme is run alongside their normal weekly sessions and all children have passed. We will continue to offer this for children who are 6+ years in the Summer Term only. We delivered the Discover Arts Award programme as part of our Act 2 club. This is the first time we have offered children who participate in our Take Part programme the opportunity to achieve their Arts Award. All Act 2 Club participants passed their Arts Awards and received certificates from Trinity College, London to celebrate their amazing achievements.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2024****YEAR IN REVIEW** (continued)**Creative Learning: Participation, Schools & Community** (continued)*Participation (continued)*

Children and families continue to need support in all our activities – with over 357 Creative Learning sessions requiring additional support for SEND or welfare needs. We continue to expand our inclusive theatre and creative learning work in response to this clear and growing need from our communities.

Artist Development

In January 2024 we launched our new Artist Development programme, Catapult. It will see Polka support and mentor six underrepresented artists across a 12 month period, to develop brand new show ideas, which will be 'scratched' at our bi-annual Big Dreams Festival. This replaced our PolkaLAB programme, reaching more practitioners and providing greater opportunities. It is particularly aimed at under-represented artists and producers including those from the Global Majority, who identify as disabled, LGBTQ+, or who come from a lower socio-economic background.

Following an open call-out we received 96 applications for Catapult, from which six were selected. The selected artists will work with Polka for 12 months to develop theatre making-skills, company organisational skills and fundraising, as well as performance opportunities. The selected artists/companies and their projects are:

Artist	Project	Notes
Farrell Cox	Don't Yuk My Yum!	Inspired by the vibrant memories of Farrell's Jamaican grandparents' garden, this original story celebrates cultural exploration and the joy of learning in a playful and inviting atmosphere.
Layla Bradbeer	The Misbehaving letters	Layla will be developing an original puppetry show portraying literacy difficulties in a playful and accessible way. The show is inspired by her own childhood experiences of being diagnosed with dyslexia.
Ashton Owen and Natalya Martin	Pablo Fanque project	They will be developing a show for ages 0-6 celebrating the life of Britain's first recorded Black Circus owner, Norwich born Pablo Fanque.
Mikaya Teodoro	Filipino Puppetry Exploration	Mikayla is step-changing from puppet designer-maker into a more holistic children's puppet theatre maker. For this project, she will be developing a puppet show focusing on the Sama-Bajau folk of the Philippines and their relationship with the sea.
Kiota Collective, Bristol	How Lightning came to be.	Devising a new show for families based on an Indian nature myth about how lightning came to be, with lots of wonderful characters.
Ruby Kitching	Baki	Ruby is thrilled to be developing her audioplay, 'Baki', for stage. Baki means the 'part left owing' in Bengali and tells the story of Dada as he tries to make sense of where he is in life, aided by his young grandson.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2024****YEAR IN REVIEW** (continued)**Artist Development** (continued)

We also introduced three Associate Companies, who will act as advocates for Polka's work nationally and gain access to shows/rehearsal space where available. Polka will also help amplify their work more widely too. The Associate Companies are:

- Second Hand Dance
- Beats & Elements
- Tangled Feet

Alongside development periods for our own productions, we offered free or reduced rate space where possible for artists/companies undertaking R&D for their own work. For example, Sharon Kanolik undertook five free days R&D in January 2024 for her new baby/new parent show, and we supported a sharing of the work to 10 parents and babies and 8 producers.

We continue to work hard to ensure our freelancers and performing companies feel part of the Polka team during their time with us, in an industry where being a freelancer can be very challenging.

'The staff team and volunteers at Polka have been so incredibly welcoming and working in the building has felt like being part of the team.... the experience has been very positive. The chance to socialise with everyone and the small touches make being a freelancer easier, and Polka does this fantastically.' Feedback from the *Let's Build!* company.

Awards and Recognition

We received some excellent recognition through the year. We won the Merton Best Business Award for Best in Creative Sector, and were runners up in the Best Team category. Ray Standeven, our Volunteer Coordinator, won Volunteer Manager of the Year at the Merton Partnership Civic Pride Awards, and we were also nominated for Volunteer Team of the Year.

Our productions received a number of Offies Award nominations during the year, including two for *The Everywhere Bear*, Best Design nomination for *Hairy*, and four nominations each for both *Tidy* and *Romeo & Juliet*. In addition a number of the Visiting Company productions were nominated: *Zoe's Peculiar Journey through Time*, *The Littlest Yak*, and *The Little Red Moon*.

In the local Time & Leisure Awards we won in the Family Attraction of the Year category, and were nominated Favourite Entertainment Venue and The Tony Kane Cultural Experience of the Year.

Our Creative Learning programme brought us a finalist nomination for the Excellence in Drama Award category at the Music & Drama Awards for Write Here Write Now. And we also won the Big Give's Fundraising Innovation Award, in recognition of our exceptional Big Give fundraising campaign in December 2023.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2024****YEAR IN REVIEW** (continued)**Capital**

During the year we worked to secure supporters to undertake the redevelopment of our flat, which sits above our café. Full support for this project was confirmed following the year end and the works are taking place during summer 2024 with the aim of renting the flat to generate income for the charity.

We have continued to seek support to invest in the fabric of the building, with fundraising underway focusing on improvement of the Main House, which was largely excluded from our recent major redevelopment for financial reasons. Some improvements have already taken place, such as upgrading key electrical and safety systems. Further work will take place in summer 2024 and 2025.

We were informed in February 2024 that the main contractors for our recent capital redevelopment, ITC Concepts, had gone into administration. This was a disappointing situation as various defects remain on the building, although none that prevent full operational use. We have submitted a proof of debt claim to the administrators.

Environmental Sustainability

Our staff-led Green Team champions environmental sustainability across the organisation, with the aim of continuing improvements to our own environmental impact as well as finding ways to influence and inspire our community to be greener.

As a children's theatre, Polka is in a unique position to spark children's enthusiasm for their environment, and sustainability is regularly part of our theatre and creative workshops programming. *Tidy* and *The Lost Spells* particularly carried a strong environmental message to make sure we value our natural world, and visiting shows such as *Nest* by M6 Studios also shared stories of nature and its importance. The *Tidy* inspired community day in Wandle Park (Colliers Wood) included a litter-pick and nature trail in the park, with over 600 attendees. Our free-to-access outdoor areas continue to attract visitors, and family activities at our Saturday Clubs have included projects like bug hotel and plant pot making.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2024****YEAR IN REVIEW** (continued)**Environmental Sustainability** (continued)

We participate in Love Wimbledon's business community and sustainability goals, helping to discover local ways to reduce, reuse and recycle in Wimbledon. We gave backstage tours during Love Wimbledon's Sustainability September programme, highlighting sustainable improvements to the building. We have a travel strategy that promotes sustainable transport amongst staff and visitors, and local and sustainable procurement policy for the café and shop. Where possible we source office furniture and equipment through recycling companies such as Reyooz. Our print brochure is certified 'Planet Positive', certified carbon neutral, and printed by an eco-accredited factory on a carbon neutral press. We no longer print 'free sheets' for our shows and instead made them downloadable pdfs sent out to customers prior to performances, and ticketing is digital rather than printed. We have food waste recycling in our café and office kitchens. Whenever possible, materials and costumes from previous shows are reused, and clothes no longer likely to be used are taken to charity shops.

Our electric van is our key form of transporting sets between our workshop and the theatre, and all other local transport needs. During the year our 46 solar (PV) panels generated 31,553.4kWh, which is enough electricity to power about 29 average homes.

As noted above, we are continuing to improve the 'old' side of the building including the Main House. Improvements actioned this year include movement-activated and LED lighting in appropriate areas, and plans to replace the single-glazing in the dressing rooms are in place for summer 2024.

Organisational Resilience

Strongly controlled expenditure, prioritising marketing efforts to support sales, and robust fundraising continue to be vital to ensuring the financial sustainability of the company. Throughout the year we have reviewed all our supplier relationships, to ensure value for money and service, including moving external IT support provider in early 2023.

We employed over 240 staff, including over 139 freelancers. Of those paid workers 58% identified as female, 23% as male and 2% as non-binary; 17% identified as lesbian, gay, bisexual or queer; 35% identified as white British and 20% as non-white; and 9% identified as disabled, 15% as neurodivergent. We continued to support staff through training such as Access and Inclusion training, and Mental Health training for managers.

We continue to drive earned income through ancillary sales wherever appropriate, including via our café, shop and private hires. During the year just under 3,000 people came to 113 private hire events, we sold 28,561 hot drinks, and 1,330 books.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2024****YEAR IN REVIEW** (continued)**Organisational Resilience** (continued)

Our Volunteering programme continues to support operations primarily in the Visitor Services team, ensuring the best possible welcome to Polka for our audiences and participants. Over 5,450 volunteer hours were contributed during the year through our formal volunteering programme by 112 volunteers, with many more hours contributed by informal volunteers. Our volunteers are a very diverse group, with 21% identifying as disabled, and 13% as neurodiverse. This continues to be an important programme in providing additional resource for the charity, but also to provide isolated members of the community with social activities, cementing Polka's position as a community hub. In a survey of volunteers undertaken in October 2023, 90% said they enjoyed volunteering at Polka 'quite a lot' or 'very much', 95% said they learned new skills, 76% said they made new friends, 81% said they felt more connected to their community, 81% said it helped improve their mental health and 71% said it helped them feel less isolated.

During the year the theatre was victim to a scam attack resulting in loss of significant funds. At the date of signing the accounts over 60% of funds have been recovered. A sub-group of Board members, identified for their expertise and skill with finance and law, was appointed to oversee the response to the incident. We are working with our bank to recover in full the amounts taken and we will continue to pursue this through all routes available to us including the Financial Ombudsman as necessary. At this time, we are therefore not able to estimate the amount of the final loss of funds. A full internal review of the incident took place to identify areas where improvements could be made and actions taken to prevent similar future occurrences have included regular staff cyber-fraud training and awareness raising. The incident was also reported to the Charity Commission and through Action Fraud, and we continue to update the Charity Commission as appropriate. Due to adequate cash reserves, the impact of this event has not affected Polka's ability to deliver operationally and it remains a going concern.

Fundraising Policy

We raise a limited percentage of our revenue funds from members of the public. We are registered with the Fundraising Regulator and all fundraising conducted on behalf of Polka, whether by committees, volunteers or staff, must comply with the Code of Fundraising Practice, Polka's policies and all relevant legislation. No complaints were received in the year about fundraising practices.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2024****YEAR IN REVIEW** (continued)**Statement of Trustees' Responsibilities** (continued)

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of its surplus or deficit for that period. In doing so, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITOR

A resolution will be proposed at the Annual General Meeting that Buzzacott LLP be re-appointed as auditor to the company for the ensuing year.

This report was approved by the Trustees on 27th November 2024



Dominic Proctor, Chair

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
POLKA CHILDREN'S THEATRE LIMITED

Independent auditor's report to the members of Polka Children's Theatre Limited

Opinion

We have audited the financial statements of Polka Children's Theatre (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
POLKA CHILDREN'S THEATRE LIMITED

Other information (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, 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 trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

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

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
POLKA CHILDREN'S THEATRE LIMITED

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the accounts are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011), Companies Act 2006 and those that relate to data protection (General Data Protection Regulation).

We assessed the susceptibility of the charitable company's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ reviewed journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
POLKA CHILDREN'S THEATRE LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 28 November 2024

POLKA CHILDREN'S THEATRE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31st MARCH 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
INCOME FROM					
Grants and donations	2	805,752	478,290	1,284,042	1,280,572
Charitable activities	3	1,709,424	-	1,709,424	1,352,692
Investment income	4	16,334	-	16,334	3,298
Total Income		2,531,510	478,290	3,009,800	2,636,562
EXPENDITURE ON					
Raising funds	5	148,901	-	148,901	140,180
Charitable activities			-		
Operation of theatre and related activities	5	2,243,570	707,528	2,951,098	2,806,516
Building redevelopment project		-	-	-	26,996
Exceptional items	23	103,254	-	103,254	-
Total Expenditure		2,495,725	707,528	3,203,252	2,973,692
Net (Expenditure) / Income		35,785	(229,238)	(193,453)	(337,130)
Transfers between funds	17	342	(342)	-	-
Net movement in funds		36,127	(229,580)	(193,453)	(337,130)
Balance at 1st April 2023		2,142,282	7,819,396	9,961,678	10,298,808
Balance at 31st March 2024		2,178,409	7,589,816	9,768,225	9,961,678

All income and expenditure is derived from continuing activities.

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

POLKA CHILDREN'S THEATRE LIMITED**BALANCE SHEET****AS AT 31st MARCH 2024**

	Notes	2024		2023	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	9		8,691,242		8,942,039
CURRENT ASSETS					
Stock	10	15,226		6,854	
Debtors	11	529,665		290,306	
Cash at bank and in hand		921,363		1,290,278	
		1,466,254		1,587,438	
CREDITORS:					
Amounts falling due within one year	12	(358,932)		(501,259)	
NET CURRENT ASSETS			1,107,322		1,086,179
Total assets less current liabilities			9,798,564		10,028,218
CREDITORS:					
amounts falling due after more than one year	13		(30,339)		(66,540)
			9,768,225		9,961,678
THE FUNDS OF THE CHARITY					
Unrestricted					
General Fund	14		688,701		657,862
Revaluation Reserve	15		1,026,135		1,044,524
Designated Reserves	16		463,573		439,896
			2,178,409		2,142,282
Restricted					
Capital Project Fund	17		7,117,983		7,436,871
Other Restricted Funds	17		471,833		382,525
			9,768,225		9,961,678

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard 102.

The financial statements were approved by the Board of Directors on 27th November 2024 and signed on their behalf by:



Dominic Proctor, Chair

Company Number: 00938592

POLKA CHILDREN'S THEATRE LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31st MARCH 2024**

	2024	2023
	£	£
OPERATING ACTIVITIES		
Net income for the reporting period	(193,453)	(337,130)
Depreciation charge	370,248	360,958
Interest payable	6,440	5,543
Investment income	(16,334)	(3,298)
(Increase) in debtors	(239,359)	(171,413)
(Decrease) increase in creditors	(142,327)	79,397
(Increase) in stock	(8,372)	(1,969)
Net cash (used in) operating activities	(223,157)	(67,912)
INVESTING ACTIVITIES		
Purchase of assets	(119,451)	(62,414)
Investment income	16,334	3,298
Net cash (used in) investing activities	(103,117)	(59,116)
FINANCING ACTIVITIES		
Interest payable	(6,440)	(5,543)
Loan repayment	(36,201)	(39,814)
CBILS loan	-	(225,014)
Cash flows from financing activities	(42,641)	(270,371)
Change in cash and cash equivalents in the reporting period	(368,915)	(397,399)
Cash and cash equivalents at the beginning of the reporting period	1,290,278	1,687,677
Cash and cash equivalents at the end of the reporting period	921,363	1,290,278

Analysis of cash and cash equivalents:

	2024	2023
	£	
Cash in hand	921,363	1,290,278
	921,363	1,290,278

POLKA CHILDREN'S THEATRE LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31st MARCH 2024****Reconciliation of changes in net debt:**

	2023 £	Cash Flows £	Other Non- cash movements £	2024 £
Cash and cash equivalents				
Cash at bank and in hand	1,290,278	(368,915)	-	921,363
	1,290,278	(368,915)	-	921,363
Borrowings				
Mortgage due within one year	(35,201)	29,761	(29,761)	(35,201)
Mortgage due after more than one year	(66,540)	-	36,201	(30,339)
	(101,741)	29,761	6,440	(65,540)
Total cash and cash equivalents	1,188,537	(339,154)	6,440	855,823

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2024****1. ACCOUNTING POLICIES****Accounting Convention**

The financial statements have been prepared in accordance with the Charities SORP (FRS102), with the Companies Act 2006, and with applicable Accounting Standards. They have been prepared under the historical cost convention and in accordance with FRS 102. The charity is a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Going concern

The Trustees have considered the requirement that the financial statements should be prepared on a going concern basis. They have discussed the potential impact of shorter and longer term trends, such as ongoing cost of living issues, on the charity's operations in 2024-25 and beyond. They have concluded that it is appropriate that the financial statements be prepared on a going concern basis.

Risks continue to be managed through risk assessments and scenario planning as new external and internal factors arise. The 2024-25 budget includes conservative estimates on box office income. The 2025-26 forecast is based on a small surplus, and includes plans for use of the designated legacy donation. The charity has on-going support from its funders, with significant grants secured focused on supporting core operations, including Arts Council England NPO status to 2026. As at the end of August 2024, the charity has secured approximately 41% of its budgeted revenue target for voluntary income or donations in 2024-25.

Taking into account the above, as well as the charity's cost base and reserves position at 31st March 2024 and having looked at least 12 months from the date of signing these accounts, the Trustees have concluded that there are no material uncertainties about the charitable company's ability to continue as a going concern.

POLKA CHILDREN'S THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024

1. ACCOUNTING POLICIES (continued)

Income

Income represents monies received from grants and donations, from the productions staged in the theatre, or on tour, from Creative Learning activities, miscellaneous items effected through the theatre's ancillary operations and net fees receivable from productions after deducting percentages withheld by theatres. Income is deferred when admission fees are received in advance of the performances to which they relate.

Income from donations and grants is accounted for when the charity is entitled to the income, the receipt is probable and the amount can be estimated with reasonable certainty.

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

Income from charitable activities represents the total value of box office income, royalties from transfers and tours and other ancillary income received by the group from customers during the year, excluding value added tax.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The majority of costs are directly attributable to specific activities. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources and estimated amounts attributable to that activity in the year. The classification between activities is as follows:

Expenditure on raising funds includes all expenditure on fundraising events, corporate activities, and an allocation of staff costs.

Expenditure on charitable activities includes the production and administrative costs of the operation of the theatre and the production of plays, including depreciation on related assets.

Pre production costs are expended in the year they are incurred, tracked by production.

Allocation of support and governance costs

The majority of costs are directly attributable to specific activities. Office costs and property-related costs, which cannot be directly attributed to particular activities, are apportioned consistent with the use of resources. Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2024****1. ACCOUNTING POLICIES** (continued)**Building Redevelopment Project**

The Building Redevelopment Project costs comprises all expenditure relating to the redevelopment of the Theatre which began in spring 2019 and completed in 2021/22, which includes the costs of constructing the redeveloped theatre and related professional fees, as well as fundraising costs and any expenditure relating to the temporary closure of Polka Theatre. The costs which are directly attributable to the construction of the redeveloped theatre have been capitalised in accordance with FRS 102 in the year and all other project costs are written off when they are expended.

Tangible Fixed Assets

Tangible fixed assets with an economic life of more than one year are capitalised if their cost exceeds £1,000.

The freehold and leasehold buildings were revalued at £1,575,000 in the 2014 year, with the uplift in value being credited to the revaluation reserve. This was undertaken as allowed under the transition to FRS 102 with the revalued amount being treated as deemed cost from this point. The additional depreciation charge that results from this uplift in valuation is set against the revaluation fund each year.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life. The annual rates used, which are applied on a straight line basis, are currently as follows:

Freehold buildings and long term leasehold	50 years
Plant and machinery	10 years
Building redevelopment project:	
Core building	50 years
Plant and machinery	15 – 20 years
Fixtures and fittings	5 – 10 years
Theatre Equipment	3 – 15 years
IT Equipment	3 years

Stocks

Stock is valued at the lower of cost and net realisable value.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2024****1. ACCOUNTING POLICIES** (continued)**Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently valued at their settlement value.

The charity only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Pensions

All eligible and entitled workers for the company are able to participate in its registered auto-enrolment pension scheme operated by NOW Pensions. This scheme is open to any employee over 16 who has been with the company for at least 3 months and earns above the relevant earnings threshold. The company currently offers an employer's contribution of 3% of the employee's gross earnings, rising to 4% after one year of employment.

Theatre Tax Relief

Theatre Tax Relief (TTR) is taken into account when the amount recoverable can be reasonably estimated and the receipt is probable.

Taxation

Polka Theatre is a registered charity and therefore not liable to income tax or corporation tax on income derived from its charitable activities, as it falls with the various exemptions available to registered charities.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight line basis over the period of the lease.

POLKA CHILDREN'S THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024

1. ACCOUNTING POLICIES (continued)

Fund accounting

The reserves of the charity are as follows:

Restricted funds comprise monies set aside for particular projects or purposes in accordance with the instructions of the grantor.

Designated funds are monies set aside of unrestricted general funds and designated for specific purposes by the trustees.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the members of the executive management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets; and
- apportionment of expenditure across each activity.

2. GRANTS AND DONATIONS

Polka continues to be part of Arts Council England's National Portfolio Organisations – with a renewed funding agreement for 2023-26 confirmed. We continued to build corporate support through sponsorship of events and corporate giving, and we continued to receive project and core support from a wide range of trusts and foundations.

	Unrestricted	Restricted	Total 2024
	£	£	£
Grants			
Arts Council England, London Revenue grant	580,711	-	580,711
London Borough of Merton	39,784	-	39,784
Other grants	323	44,388	44,711
	<hr/> 620,818	<hr/> 44,388	<hr/> 665,206
Sponsorship and Donations			
CAPITAL			
Individual Giving	-	8,535	8,535
FP Families	-	10	10
Sub-total	<hr/> -	<hr/> 8,545	<hr/> 8,545

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2024****2. GRANTS AND DONATIONS (continued)**

	Unrestricted	Restricted	Total 2024
	£	£	£
REVENUE			
Core			
- The Starkie Bence Charitable Trust	72,100	-	72,100
- The Vernon N Ely Charitable Settlement	10,000	-	10,000
- MFS	10,000	-	10,000
- J P Foundation	5,000	-	5,000
- Arts Generation Company Ltd	2,500	-	2,500
- The Big Give Trust	1,000	-	1,000
- Others	84,334	-	84,334
Access			
- The Calleva Foundation	-	44,000	44,000
- The Childhood Trust	-	7,500	7,500
- Ovingdean Hall Foundation	-	3,500	3,500
- Wimbledon Homes	-	3,000	3,000
- Others	-	79,293	79,293
Creative Learning & Freefalling			
- Icon Solutions	-	12,000	12,000
- The Charles Skey Charitable Trust	-	10,000	10,000
- Wimbledon Offices Ltd	-	6,000	6,000
- Clarion Futures	-	5,000	5,000
- The Arts Society Wimbledon	-	2,055	2,055
- Frazer Trust	-	2,000	2,000
- The Dorus Trust	-	2,000	2,000
- Others	-	1,010	1,010
Volunteer Programme			
- Anonymous	-	2,000	2,000
Building Improvement Fund			
- The Wimbledon Foundation	-	50,000	50,000
- Backstage Trust	-	25,000	25,000
- Equity Charitable Trust	-	2,000	2,000
Artist Development			
- Cockayne – Grants for the Arts: a donor advised fund held at The London Community Foundation	-	15,000	15,000
Curtain Up!			
- Ernest Hecht Charitable Foundation	-	27,500	27,500
- The Doris Pacey Charitable Foundation	-	25,000	25,000
- The Greenslade Family Foundation	-	50,000	50,000
- Alf and Hilda Leivers Charity Trust	-	2,500	2,500
- The Topinambour Trust	-	2,500	2,500
- Others	-	6,024	6,024
Write Here Write Now			
- L&Q Foundation	-	1,000	1,000
- Others	-	16,900	16,900
Take Your Seats			
- BBC Children In Need	-	10,000	10,000
- The Weinstock Fund	-	5,000	5,000
- The Hugo Halkes Charitable Trust	-	4,000	4,000
- Clarion Futures	-	2,075	2,075
- The Greenslade Family Foundation	-	1,000	1,000
- Wimbledon District Nursing & Midwifery Benevolent Society	-	500	500
Sub-total	184,934	425,357	610,291
Total Sponsorship and donations	184,934	433,902	618,836
Total	805,752	478,290	1,284,042

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2024****2. GRANTS AND DONATIONS** (continued)

	Unrestricted	Restricted	Total 2023
	£	£	£
Grants			
Arts Council England, London Revenue grant	580,711	-	580,711
London Borough of Merton	22,500	-	22,500
HMRC Kickstart programme	12,948	-	12,948
Other grants	-	24,687	24,687
	<u>616,159</u>	<u>24,687</u>	<u>640,846</u>
Sponsorship and Donations			
CAPITAL			
Future Polka	-	7,459	7,459
Individual Giving	-	10,250	10,250
FP Families	-	958	958
FP Founders	-	4,821	4,821
Sub-total	<u>-</u>	<u>23,488</u>	<u>23,488</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2024****2. GRANTS AND DONATIONS (continued)**

	Unrestricted	Restricted	Total 2023
	£	£	£
REVENUE			
Corporate donations	13,011	6,000	19,011
Corporate sponsorships	3,600	-	3,600
Events	2,195	20,915	23,110
Individuals	86,117	-	86,117
Icon Solutions	-	12,000	12,000
Landscape	-	7,270	7,270
MFS	5,000	-	5,000
J P Foundation	3,000	-	3,000
The Calleva Foundation	-	42,000	42,000
Wimbledon District Nursing & Midwifery Benevolent Society	-	4,270	4,270
The Carmela & Ronnie Pignatelli Foundation	-	2,500	2,500
The Patricia Routledge Foundation	-	2,000	2,000
Tesco Community Grants	-	1,125	1,125
Co-op Local Community Fund	-	1,432	1,432
Chan Yin Chuen Memorial Charitable Foundation	100,000	-	100,000
The Vernon N Ely Charitable Settlement	10,000	-	10,000
Frazer Trust	2,000	-	2,000
Charlotte Bonham-Carter Charitable Trust	2,000	-	2,000
The Royal Victoria Hall Foundation	-	1,500	1,500
The Wolfson Foundation	-	45,000	45,000
The Charles Skey Charitable Trust	-	10,000	10,000
Wimbledon Offices Ltd	-	5,000	5,000
Clarion Housing Group	-	5,000	5,000
Eleanor Rathbone Charitable Trust	-	3,000	3,000
The Peter Stebbings Memorial Charity	-	2,500	2,500
The Dorus Trust	-	1,000	1,000
Ernest Hecht Charitable Foundation	-	25,000	25,000
Christina Smith Foundation	-	12,000	12,000
Alf and Hilda Leivers Charity Trust	-	2,000	2,000
Backstage Trust	-	5,000	5,000
Morr & Co	-	2,500	2,500
Unity Theatre Trust	-	600	600
The Barbara Whatmore Charitable Trust	-	3,000	3,000
The John Thaw Foundation	-	1,000	1,000
The Childhood Trust	-	7,500	7,500
The Topinambour Trust	-	2,500	2,500
Paul Hamlyn Foundation	-	52,000	52,000
L&Q Foundation	-	6,500	6,500
The John Horseman Trust	-	5,000	5,000
BBC Children In Need	-	10,000	10,000
Banham Foundation Limited	-	6,000	6,000
The Taylor Family Foundation	-	7,500	7,500
The Hugo Halkes Charitable Trust	-	4,000	4,000
Others	7,391	57,312	64,703
Sub-total	234,314	381,924	616,238
Total Sponsorship and donations	234,314	405,412	639,726
Total	850,473	430,099	1,280,572

POLKA CHILDREN'S THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024

3. INCOME FROM CHARITABLE ACTIVITIES

	2024	2023
	£	£
Consultancy	-	100
Box Office	1,005,060	805,710
Creative Learning	128,114	136,420
Royalties, touring and co-production fees	86,038	4,680
Merchandising	43,194	42,130
Café and shop	238,342	214,794
Lettings and hires	62,934	49,567
Theatre tax relief	145,742	99,291
	<u>1,709,424</u>	<u>1,352,692</u>

4. INVESTMENT INCOME

	2024	2023
	£	£
Bank interest received	16,334	3,298
	<u>16,334</u>	<u>3,298</u>

5. EXPENDITURE

	2024	2023
	£	£
Raising Funds		
Salaries and wages	132,124	122,781
Sponsorship and events	16,777	17,399
	<u>148,901</u>	<u>140,180</u>

	2024	2023
	£	£
Charitable Activities (including support costs)		
<i>Operation of a theatre and related activities</i>		
Actors, production and Creative Learning costs	1,021,960	855,165
Box Office Administration costs	101,054	110,308
Café and shop costs	222,963	206,924
Direct Costs	542,794	537,192
Project costs	499	29,352
Central and premises costs	256,234	290,419
Depreciation	370,248	360,958
Marketing	246,862	252,592
Governance costs (see below)	188,484	163,606
	<u>2,951,098</u>	<u>2,806,516</u>

Governance costs		
Salaries and Wages	132,464	124,481
Audit and accountancy	40,071	17,385
Office costs	15,948	21,740
	<u>188,484</u>	<u>163,606</u>

POLKA CHILDREN'S THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024

5. EXPENDITURE (continued)

	2024	2023
	£	£
Support costs		
Salaries and Wages	132,464	124,481
Central and premises costs	256,234	290,419
Depreciation	370,248	360,958
Marketing	246,862	252,594
Audit and Accountancy	40,071	17,385
Office Costs	15,948	21,741
Project costs	499	29,352
	<u>1,062,326</u>	<u>1,096,930</u>

6. NET INCOME/EXPENDITURE

	2024	2023
	£	£
This is stated after charging:		
Lease payments	44,000	44,000
Depreciation of owned fixed assets	370,248	360,958
Auditors' remuneration:		
- Current year statutory audit	18,500	14,000
- Prior year statutory audit	8,250	1,675
- Other services	5,085	-

7. STAFF COSTS

	2024	2023
	£	£
Wages and Salaries	1,069,521	980,692
Pension Contributions	32,462	25,708
Social Security Costs	84,070	80,935
	<u>1,186,053</u>	<u>1,087,335</u>

No employee earned more than £60,000 per annum (2023: none).

No members of the Board of Directors received any remuneration during the year for executive services. The Board members were not paid or reimbursed for expenses during the year.

The cost of employment of Key Management Personnel amounted to £118,497 (2023: £120,800). Key Management Personnel comprise the Joint Chief Executives.

POLKA CHILDREN'S THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024

7. STAFF COSTS (continued)

	2024	2023
	No.	No.
Average number of employees during the year (full time equivalent basis)		
Senior Management Personnel	2	2
Directors and performers	7	6
Sales, administration and others	26	25
	35	33

The average number of employees (headcount) during the year was 37 (2023: 36).

8. INTEREST PAYABLE

	2024	2023
	£	£
Mortgage loan interest	6,440	5,543
CBILS loan interest	-	2,590
	6,440	8,133

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Short leasehold land and buildings £	Leasehold Improve- ments	Building Re- development Project	Plant and Machinery £	Total £
Cost						
At 1 April 2023	1,050,000	950,000	19,113	7,691,781	219,088	9,929,982
Additions	-	-	24,327	95,124	-	119,451
Disposals	-	-	-	-	(183,089)	(183,089)
At 31 March 2024	1,050,000	950,000	43,440	7,786,905	35,999	9,866,344
Depreciation						
At 1 April 2023	125,958	171,000	1,962	504,434	184,589	987,943
Charge for the year	21,000	19,000	2,815	323,833	3,600	370,248
Disposals	-	-	-	-	(183,089)	(183,089)
At 31 March 2024	146,958	190,000	4,777	828,267	5,100	1,175,102
Net book value						
At 31 March 2024	903,042	760,000	38,663	6,958,638	30,899	8,691,242
At 31 March 2023	924,042	779,000	17,151	7,187,347	34,499	8,942,039

10. STOCKS

	2024	2023
	£	£
Books	5,688	2,447
Café	2,768	2,343
Shop	6,770	2,064
	15,226	6,854

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2024****11. DEBTORS**

	2024	2023
	£	£
Trade debtors	46,098	37,121
Prepayments and accrued income	483,464	251,635
Other debtors	103	1,550
	<u>529,665</u>	<u>290,306</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Mortgage loan (secured)	35,201	35,201
Other taxes and social security costs	23,968	21,171
Other creditors	299,763	444,887
	<u>358,932</u>	<u>501,259</u>
Deferred income		
Balance at 1 April	188,542	96,819
Deferred income released in the year	(188,542)	(96,819)
Resources deferred in the year	<u>148,508</u>	<u>188,542</u>
Deferred income at 31 March	<u>148,508</u>	<u>188,542</u>

Included within deferred income is an amount of £125,467 (2023 - £148,763) relating to ticket sales received in advance for productions that will take place in 2024/25.

13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2024	2023
	£	£
Mortgage loan (secured)	<u>30,339</u>	<u>66,540</u>
	30,339	66,540
Repayable between one and five years	<u>30,339</u>	<u>66,540</u>
	<u>30,339</u>	<u>66,540</u>

The charity has a loan from Barclays, the capital value of which was £208,000 prior to any repayment. The loan is secured by a legal charge over 244, 246 and 248 The Broadway and over 252 and Land at Back of 254 The Broadway. The loan is for a term of 20 years, from 7 December 2007 to 7 December 2027. Interest on the loan is charged at 2.5% per annum over the Bank of England's base rate. Repayment shall be made in monthly instalments of £1,830.36.

The charity has a loan from Barclays, the capital value of which was £230,000 prior to any repayment. The loan is secured by a legal charge over 244, 246 and 248 The Broadway, over 252 and Land at Back of 254 The Broadway, and over 250/252 The Broadway. The loan is for a term of 15 years, from 12 November 2010 to 12 November 2025. Interest on the loan is charged at 4.29% per annum fixed for 5 years from the date of draw down. At the end of 5 years, interest is charged at 2.54% per annum over the Bank of England's base rate. Repayment shall be made in monthly instalments of £1,742.14 decreasing to £1,637.72 after five years.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2024****14. GENERAL FUND**

	At 1 April 2023	Income	Expenditure	Transfers	At 31 March 2024
	£	£	£	£	£
Unrestricted funds	657,862	2,429,410	(2,398,913)	342	688,701

	At 1 April 2022	Income	Expenditure	Transfers	At 31 March 2023
	£	£	£	£	£
Unrestricted funds	633,520	2,106,472	(2,082,130)	-	657,862

15. REVALUATION RESERVE

The freehold and leasehold buildings were revalued at £1,575,000 in the 2014 year, with the uplift in value being credited to the revaluation reserve. This was undertaken as allowed under the transition to FRS102 with the revalued amount being treated as deemed cost from this point. The additional depreciation charge that results from this uplift in valuation is set against this fund each year.

	At 1 April 2023	Income	Expenditure	Transfers	At 31 March 2024
	£	£	£	£	£
Revaluation reserve	1,044,524	-	(18,389)	-	1,026,135

	At 1 April 2022	Income	Expenditure	Transfers	At 31 March 2023
	£	£	£	£	£
Revaluation reserve	1,062,913	-	(18,389)	-	1,044,524

16. DESIGNATED RESERVES

	At 1 April 2023	Income	Expenditure	Transfers	At 31 March 2024
	£	£	£	£	£
Equipment	20,536	-	(3,423)	-	17,113
Capital project	234,992	-	-	-	234,992
Flat Redevelopment fund	-	30,000	-	-	30,000
Anne Ross Legacy fund	109,368	72,100	-	-	181,468
Chan Yin Chuen Memorial Charitable Foundation	75,000	-	(75,000)	-	-
	439,896	102,100	(78,423)	-	463,573

The Equipment fund incorporates funds raised which depreciate against the life of the equipment.

The Capital Project fund and Flat Redevelopment Fund are General Funds designated by the Trustees for use on the building redevelopment and flat redevelopment respectively.

The Anne Ross Legacy fund was created following receipt of a one-off legacy and will be used to support creation of productions during the period 2024-25 and 2025-26.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2024****16. DESIGNATED RESERVES** (continued)

The Chan Yin Chuen Memorial Charitable Foundation fund was set up following a donation by this supporter towards general running costs across calendar year 2024.

	At 1 April 2022	Income	Expenditure	Transfers	At 31 March 2023
	£	£	£	£	£
Equipment	23,959	-	(3,423)	-	20,536
Capital project	234,992	-	-	-	234,992
Anne Ross Legacy fund	209,368	-	(100,000)	-	109,368
Chan Yin Chuen Memorial Charitable Foundation	-	100,000	(25,000)	-	75,000
	<u>468,319</u>	<u>100,000</u>	<u>(128,423)</u>	<u>-</u>	<u>439,896</u>

17. RESTRICTED FUNDS

	At 1 April 2023	Income	Expenditure	Transfers	At 31 March 2024
	£	£	£	£	£
CAPITAL PROJECT FUND					
Theatre Redevelopment Fund	<u>7,436,871</u>	<u>8,545</u>	<u>(327,433)</u>	<u>-</u>	<u>7,117,983</u>
	<u>7,436,871</u>	<u>8,545</u>	<u>(327,433)</u>	<u>-</u>	<u>7,117,983</u>
This comprises:					
Capitalised costs	<u>7,187,348</u>	<u>-</u>	<u>(323,833)</u>	<u>95,124</u>	<u>6,958,639</u>
Unspent funds	<u>249,523</u>	<u>8,545</u>	<u>(3,600)</u>	<u>(95,124)</u>	<u>159,344</u>
	<u>7,436,871</u>	<u>8,545</u>	<u>(327,433)</u>	<u>-</u>	<u>7,117,983</u>

	At 1 April 2023	Income	Expenditure	Transfers	At 31 March 2024
	£	£	£	£	£
OTHER RESTRICTED FUNDS					
Original Theatre Fund	233,786	-	(8,975)	-	224,811
Write Here, Write Now	26,000	17,900	(26,000)	-	17,900
Freefalling	27,990	40,065	(41,055)	-	27,000
Access	11,250	137,293	(126,043)	-	22,500
Curtain Up!	23,000	113,524	(107,524)	-	29,000
Take Your Seats	17,000	22,575	(19,575)	-	20,000
Vehicle Fund	34,499	-	(3,600)	-	30,899
Building Improvements Fund	9,000	76,923	(858)	(342)	84,723
Mapping	-	44,465	(44,465)	-	-
Playwriting Award	-	15,000	-	-	15,000
Volunteer Programme	-	2,000	(2,000)	-	-
	<u>382,525</u>	<u>469,745</u>	<u>(380,095)</u>	<u>(342)</u>	<u>471,833</u>
TOTAL	<u>7,819,396</u>	<u>478,290</u>	<u>(707,528)</u>	<u>(342)</u>	<u>7,589,816</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2024****17. RESTRICTED FUNDS** (continued)

Theatre Redevelopment Fund	For use during the Future Polka redevelopment project, begun in 2019 and completed in 2021/22.
Original Theatre Fund	Relating to the original building project to create the theatre in 1979.
Vehicle Fund	For use against the depreciating cost of the Polka van.
Building Improvement Fund	For use against improvements to all parts of the building.
Volunteer Programme	For use against Polka's formal volunteering programme.

Restricted project funds:

Write Here Write Now

Freefalling

Access

RED

Curtain Up!

Take Your Seats

Mapping

Playwriting Award

Restricted funds that are for specific projects delivered by the Creative Learning and Producing departments, to which restricted funds received in advance of the activities taking place are assigned. These funds change annually according to the theatre's project programming, and may be one-off short-term or ongoing annual projects.

	At 1 April 2022	Income	Expenditure	Transfers	At 31 March 2023
	£	£	£	£	£
CAPITAL PROJECT FUND					
Theatre Redevelopment Fund	7,760,955	23,488	(347,572)	-	7,436,871
	<u>7,760,955</u>	<u>23,488</u>	<u>(347,572)</u>	<u>-</u>	<u>7,436,871</u>
This comprises:					
Capitalised costs	7,480,008	-	(319,076)	26,416	7,187,348
Unspent funds	280,947	23,488	(28,496)	(26,416)	249,523
	<u>7,760,955</u>	<u>23,488</u>	<u>(347,572)</u>	<u>-</u>	<u>7,436,871</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2024****17. RESTRICTED FUNDS (continued)**

	At 1 April 2022	Income	Expenditure	Transfers	At 31 March 2023
	£	£	£	£	£
OTHER RESTRICTED FUNDS					
Original Theatre Fund	242,761	-	(8,975)	-	233,786
Write Here, Write Now	19,750	79,794	(73,544)	-	26,000
Freefalling	46,930	53,220	(72,160)	-	27,990
Access	40,160	64,000	(92,910)	-	11,250
RED	-	7,544	(7,544)	-	-
Curtain Up!	4,000	103,345	(84,345)	-	23,000
Choir	9,500	2,557	(12,057)	-	-
Take Your Seats	10,000	32,500	(25,500)	-	17,000
Core	-	1,500	(1,500)	-	-
Mapping	-	17,143	(17,143)	-	-
Vehicle Fund	-	35,999	(1,500)	-	34,499
Window Replacement Fund	-	9,000	-	-	9,000
	<u>373,101</u>	<u>406,602</u>	<u>(397,178)</u>	<u>-</u>	<u>382,525</u>
TOTAL	<u>8,134,056</u>	<u>430,089</u>	<u>(744,751)</u>	<u>-</u>	<u>7,819,394</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2024	Fixed Assets	Net Current Assets	Creditors > 1 year	Total
	£	£	£	£
Unrestricted Funds				
General Fund	217,522	501,518	(30,339)	688,701
Revaluation Reserve	1,026,135	-	-	1,026,135
Designated Funds	17,113	446,460	-	463,573
Restricted Funds				
Capital Project Fund	6,958,639	159,344	-	7,117,983
Other Restricted Funds	471,833	-	-	471,833
	<u>8,691,242</u>	<u>1,107,322</u>	<u>(30,339)</u>	<u>9,768,225</u>

2023	Fixed Assets	Net Current Assets	Creditors > 1 year	Total
	£	£	£	£
Unrestricted Funds				
General Fund	307,106	417,296	(66,540)	657,862
Revaluation Reserve	1,044,524	-	-	1,044,524
Designated Funds	20,536	419,360	-	439,896
Restricted Funds				
Capital Project Fund	7,187,348	249,523	-	7,436,871
Other Restricted Funds	382,525	-	-	382,525
	<u>8,942,039</u>	<u>1,086,179</u>	<u>(66,540)</u>	<u>9,961,678</u>

POLKA CHILDREN'S THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2024

19. FINANCIAL COMMITMENTS

At the year end, the charity had future minimum lease payments under operating leases as follows:

	2024	2023
	£	£
Land & Buildings		
Due in less than 1 year	44,000	44,000
Due in between 2 and 5 years	92,219	136,340
Due in more than 5 years	-	-
	<u>136,219</u>	<u>180,340</u>

20. LEGAL STATUS

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

21. TAXATION

The company is a registered charity and no taxation liabilities arise from its charitable activities.

22. RELATED PARTIES

Trustees made donations in the year totalling £14,063 (2023: £14,104). Trustees pay the normal admission charge when they attend performances and other events.

During the year a payment of £4,800 was made to Apples and Snakes, of which Michael Lord is a common trustee, in relation to a visiting performance by the company.

There were no further related party transactions within the year.

23. EXCEPTIONAL ITEMS

This relates to the loss of funds as a result of the scam referred to on page 21 of the trustees' report.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2024****24. COMPARATIVE FIGURES FOR THE STATEMENT OF FINANCIAL ACTIVITIES AS REQUIRED BY FRS 102**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £
INCOME FROM				
Grants and donations	2	850,483	430,089	1,280,572
Charitable activities	3	1,352,692	-	1,352,692
Investment income	4	3,298	-	3,298
Total Income		2,206,473	430,089	2,636,562
EXPENDITURE ON				
Raising funds	5	140,180	-	140,180
Charitable activities				
Operation of theatre and related activities	5	2,088,763	717,753	2,806,516
Building redevelopment project		-	26,996	26,996
Total Expenditure		2,228,943	744,749	2,973,692
Net (Expenditure) / Income		(22,470)	(314,660)	(337,130)
Transfers between funds	17	-	-	-
Net movement in funds		(22,470)	(314,660)	(337,130)
Balance at 1st April 2022		2,164,752	8,134,056	10,298,808
Balance at 31st March 2023		2,142,282	7,819,396	9,961,678

POLKA CHILDREN'S THEATRE LIMITED

England & Wales - Charity number 256979

Accounts



POLKA CHILDREN'S THEATRE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2023

Registered Charity Number 256979

Registered Company Number 00938592

POLKA CHILDREN'S THEATRE LIMITED

Annual Report and Financial Statements for the year ended 31st March 2023

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POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2023**

The trustees are pleased to present their report together with the financial statements of the charitable company for the year ended 31st March 2023.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number:	256979
Company Number:	00938592
Company Secretary	Lynette Alston
Principal Office:	240 The Broadway, Wimbledon, London SW19 1SB
Auditor	Buzzacott LLP, 130 Wood Street, London, EC2V 6DL
Bankers	Barclays Bank plc, 8 Alexandra Road, Wimbledon, London SW19 7JZ

Directors and Trustees

The Directors of the charitable company (the Company) are its Trustees for the purpose of charity law. Throughout this report they are collectively referred to as the Trustees. The following served as Trustees during the year and up to the date of signing this report, except where shown:

Chair:	Dominic Proctor (appointed 16 th November 2022) Sarah King (retired 16 th November 2022)
Deputy Chair:	Fiona McLaren Vivienne Creevey (retired 16 th November 2022)
Treasurer:	Vincent O'Brien (appointed 16 th November 2022) Nigel Halkes (retired 16 th November 2022) Ted Lougher (retired 16 th June 2022) Michael Bradley Mairi Brewis (retired 16 th November 2022) Alison Harpur Emily Vaughan-Barratt Victoria Aspden Arif Saad Kellie Williams-Jauvel Michael Lord Catherine Manuel (appointed 22 nd September 2022) Helen Clark Bell (appointed 6 th March 2023)

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2023****A VIEW FROM THE CHAIR**

2022/23 was definitely not "just another year" for Polka! Rather it was a year which marked the beginning of a new and crucial chapter in the developing story of this very special place. I feel very proud to have taken the Chair at the AGM last November.

We are immensely grateful to Sarah King who oversaw the last chapter and served as our Chair for a hugely successful decade. It was a period which required her expert leadership as it culminated in the twin challenges of Polka's excellent refurbishment and the overlapping devastation of the pandemic. A tenacious team, dedicated Board and Sarah's strong leadership have given us a strong foundation on which to build, albeit in a rather creaky and uncertain environment.

This has been our first full financial year since reopening, and we are gradually getting back on the positive financial track outlined in our strategy. The entertainment sector was hit very hard by Covid, as audiences were slow to resume their old habits and box office revenues were further hobbled by high inflation and general uncertainty in household and school budgets. However, we were acutely aware of the urgent need to support children's learning and development, in line with our mission. We made the decision to invest in our team and services to make sure this happened, using strong reserves and designated funds for the purpose for which they were designed. So, our own 22/23 budgets were very challenging, and we are grateful to those who managed them so expertly. We are also immensely grateful for the continued support of Arts Council England and our many loyal and new funders, without whom we simply could not do what we do.

The new chapter has seen us appoint Helen Matravers as Artistic Director/Joint CEO to replace Pete Glanville who served us superbly for 9 years. Helen has already made an excellent start and I know she will be a massive influence in our future success alongside Executive Director/Joint CEO Lynette Shanbury. They have a formidable leadership team and very talented and hard-working staff and volunteers, so we are very well set for the challenges ahead. We have also appointed an excellent group of new Trustees and named officers, including Fiona McLaren (becoming Deputy Chair), Vince O'Brien (joining as Treasurer) and Helen Clark Bell, hugely experienced in our community. All very high performers joining a high performing Board.

Polka is a resilient, innovative and important institution. Ultimately our growth will be determined by the quality and diversity of the work seen on our stages and in our classrooms and workshops. This is all underpinned by a joyful, safe and learning-inspired environment and a strategy which delivers for all. I am very confident that this chapter will be another excellent one!

Dominic Proctor,

Chair, Board of Trustees

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2023****STRUCTURE, GOVERNANCE AND MANAGEMENT****Governing Document**

Polka Children's Theatre Limited is a company incorporated in England and Wales, limited by guarantee, and governed by its Memorandum and Articles of Association dated 10th September 1968 and amended to allow for current governance arrangements on 16th October 1987, 14th October 1993 and 8th February 2012. It is registered as a charity with the Charity Commission.

Appointment of Trustees

As set out in the Articles of Association, the Trustees have the power at any time to appoint any person to be a member of the Board, either to fill a casual vacancy or as an additional member of the Board. Any person so appointed holds office only until the next Annual General Meeting and is then eligible for re-election. At each Annual General Meeting, one-third of the members of the Board retire from office.

Trustee Induction and Training

New Trustees receive briefings on the history of the company, their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Board and decision-making processes, the company plan and recent financial performance of the company.

Organisation

The Board of Trustees determines the long-term objectives of the company. It meets quarterly and detailed oversight is further assured through a structure of Board Working Groups covering finance, development, operations, artistic and creative learning programming, and marketing and commercial activities. The Board appoints executive officers, not being members of the Board, to discharge the artistic, administrative and other duties necessary for the proper functioning of the company.

The remuneration of the Executive Officers is recommended to the Board of Trustees by the Finance Working Group with reference to comparable salary levels within the subsidised theatre sector.

Executive Officers: Peter Glanville, Joint Chief Executive and Artistic Director (resigned January 2023)
 Helen Matravers, Joint Chief Executive and Artistic Director (appointed January 2023)
 Lynette Alston, Joint Chief Executive and Company Secretary

The Executive Officers represent Key Management Personnel and their cost of employment for the year totalled £120,800

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2023****Public Benefit**

In shaping Polka's objectives for the year and planning our activities, the Trustees considered the Charity Commission's guidance on public benefit and fee charging. The Theatre relies on grants and the income from sales, fees and charges to cover its operating costs. In setting the charity's programme of work and the level of fees, charges and concessions, the Trustees gave particular consideration to the accessibility of the theatre for those on low incomes and those with least opportunity to participate in cultural activities.

Objectives and Activities

The charitable objects of the company are to promote, maintain, improve and advance education, particularly by the production of plays for children and the encouragement of the arts, including the arts of drama, mime, puppetry, dance, singing and music.

The overarching mission of the organisation is *to empower children to navigate their world through inspirational theatre and creative experiences*. Polka wants to give as many children as possible, from all backgrounds, the opportunity to experience thrilling, innovative, world-class theatre, and creative learning opportunities, in a welcoming space that they can call their own.

Strategic Objectives

1. Provide inspiring, diverse and inclusive world-class theatre and creative learning opportunities for children aged 0-12
2. Enable as many children as possible, from all backgrounds, to access the enriching theatre experiences Polka offers
3. Maintain a welcoming and inclusive space dedicated to the playful inspiration of children, where families, schools and communities come together
4. Support children's learning, personal development and enjoyment
5. Be a locally, nationally and internationally valued organisation
6. Drive pioneering practice within children's theatre
7. Provide a respectful, inclusive and supportive environment for everyone at Polka, to achieve their best for our beneficiaries
8. Be a financially sustainable and environmentally responsible organisation

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2023****Our Values**

- Child-centred - placing children at the heart of everything Polka does
- Community - engaging our diverse communities of children, families, educationalists and artists
- Excellent - pioneering, adventurous, offering the highest quality
- Memorable - creating magical, meaningful experiences
- Inclusive - welcoming, accessible, nurturing, supportive, representative.

Overview

This was the first full year of venue-based operations after a 2.5 year closure for our major capital redevelopment, extended by the impact of the Covid-19 pandemic.

By the end of the year over 115,000 people had experienced our work, including over 98,000 who visited our theatre venue and 20,000 who took part in Creative Learning activities. We produced 9 in-house productions and co-productions, received 15 visiting companies at our Wimbledon venue (including 2 international companies), and had 5 productions on tour.

In January 2023 Peter Glanville stepped down from the role of Artistic Director and Joint CEO after 9 years. Helen Matravers took over the role after an extensive and wide-reaching recruitment process led by the Chair and involving Trustees and industry specialists. We employed over 200 staff, including over 110 freelancers. Over 140 volunteers signed up during the year, and over 5,050 volunteer hours were contributed through our formal volunteering programme, with many more contributed by informal volunteers.

Finance

As we continued to re-establish our operations and audiences, the Board agreed to run a planned deficit budget for the year, utilising designated funds alongside some free reserves. We continued to feel the challenges of growing overhead costs, particularly on energy prices which rose by nearly 300% in autumn 2022 at the expiry of our fixed contract. We continued to work with a group purchasing provider to seek the best deals on energy, and in June 2022 we installed a further 30 solar panels on our main roof. However energy price rises, and other general increases in cost of overheads such as cleaning, IT and building management services, are continuing to be hugely challenging and we are grateful for those supportive funders who have recognised this. We fully repaid our CBILS loan, to ensure that rising interest rates did not drag on our precious resources.

In November 2022 we appointed a new Treasurer, Vincent O'Brien, as Nigel Halkes stepped down as a Trustee.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2023****Finance** (continued)*Revenue*

Polka operates a mixed funding model, with both earned and funded income vital to enable the company to operate effectively. Our box office and in-house operations continued to grow and new processes were embedded into the company's new operational model. However, the pandemic impact continued to be felt across theatres everywhere, as audiences fell out of the habit of theatre-going and concern for gathering in groups continued. It continued to cause cancellations of some performances, as staff and artists fell ill, and demonstrated the impact the pandemic has had on general physical and mental resilience of workers in all fields.

Our school audiences also continued to be affected by both the legacy of Covid-19, and particularly tightening school budgets. Thanks to generous support from funders we were able to triple our Curtain Up! programme (free tickets to schools who otherwise were unable to afford to visit the theatre), giving away 6,000 tickets during the academic year (previously 2,000), which we are continuing to do as long as we are able to sufficiently fundraise. Alongside strong cost control, support from funders, both public and private, proved fundamental in sustaining the core function of the organisation during this challenging year, with only 51% of our income coming from earned sources during the year (19% in YE 2022).

Support from Arts Council England continued to be vital, accounting for 22% of our income (38% in YE 2022). We were confirmed as a continuing Arts Council England National Portfolio Organisation for the 2023-26 period, which demonstrates Polka's ongoing importance in the English theatre ecology. However the standstill nature of the funding (essentially representing a real-terms cut) presents a significant challenge to ongoing operations. Our EU funding through Culture Europe will also come to an end in 2023/4, due to Brexit, after over a decade of successful Creative Europe project support. As our agreement came to an end, 2022 was also the final year we receive revenue funding from Merton Council. Receiving real-terms funding cuts at local, national and international level places significant pressure on our operations and breadth of reach.

Looking ahead, delivering quality work at a time of declining public funding and growing overhead costs remains an on-going challenge. Polka is well placed to meet the priorities of public funders in such areas as creative education for children, health and wellbeing, community engagement and community cohesion, representation and diversity. These priorities will continue to be pressing over the next few years as we respond to the long-term impacts of the pandemic on children, the needs of schools facing increasing budgetary and timetable/curriculum pressures, and the rising poverty and cost-of-living crisis for many families.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2023****Risk Management**

The Board of Trustees has a risk management strategy which comprises:

- A regular review of the risks that the company may face, reviewed at each quarterly Board meeting
- The establishment of strategies and procedures to mitigate those risks
- The implementation of procedures designed to minimise any potential impact on the company should those risks materialise.

The principal risks and mitigations identified at 31st March 2023 were:

- High workload and stress on staff arising from general challenging sector environment – additional temporary staffing and outsourcing is used to support key periods of high activity; mental health resources, alongside social activities, have also helped support staff.
- Loss of key staff, especially at senior level, with salary inflation and inability to fill key staff roles, plus a sector skills drain particularly in key areas such as technical – addressed by robust recruitment processes and focus on team wellbeing and positive organisational culture to ensure Polka is an inclusive and happy place in order to attract and retain staff; salary benchmarking to ensure competitiveness; where practicable, we recruit for aptitude and provide training.
- Pressure on finances with rising costs of overheads and materials, increasing inflation and energy prices, greater competition on funding, real-term funding cuts at local, national and international level, and challenges in raising box office and other earned income – addressed by reducing borrowing costs where possible and being responsive to opportunities for development; focus on core aims of the charity to prioritise areas of delivery; continue to build understanding of our position and strong relationships with funders.

Attention has also been given to non-financial risks arising from the health and safety of staff and child protection, which are standing items on the risk register. These risks are managed by having robust policies and procedures in place, providing regular training for staff working in these operational areas and monitoring by staff safety and safeguarding teams, with oversight by the Board. Polka's Working Group structure enables a wider range of stakeholders to input to and influence decision making within the organisation, focusing on key areas including Artistic, Operations, Finance, Community, Teachers/Schools and Young Voices.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2023****Reserves Policy**

The Trustees have reviewed the company's reserves policy in line with the guidance issued by the Charity Commission and recognise the need to safeguard the organisation against potential reductions in grant-aided income, fluctuations in earned income and unplanned expenditure, particularly emergency repairs and maintenance to the theatre premises going forward. They also note the particular situation caused by the legacy of the Covid-19 pandemic, and the potential impact on the company's operations in future years. They consider that unrestricted general reserves should be maintained at a level at least equal to three months' "core" revenue operating expenditure, which, at normal operating levels equates to approximately £325,000.

In compliance with this policy, the unrestricted general reserves at 31st March 2023 amounted to £657,862.

The Trustees recognise that unrestricted reserves may need to be utilised to support operations in this unprecedented environment (any such use will be agreed through the usual governance structure of the organisation). Nevertheless, Trustees consider that the current reserve levels remain appropriate for the organisation. In addition, the Board designates reserves for specific purposes out of unrestricted funds each year as required when approving the annual accounts. Expenditure out of designated reserves is then approved in accordance with normal authorisation policies. Designated reserves at 31st March 2023 amounted to £439,896 (see Note 16 to the Accounts).

YEAR IN REVIEW

Polka, based in Wimbledon, South West London, is a pioneering national theatre for children. The first UK venue to be created exclusively for young audiences, we specialise in work for children aged 0-12 years and remain one of very few theatres in the UK that regularly commissions and produces new work for children in this age range. Since 1979, we have built a local, national and international reputation and are recognised for the quality of our productions through which children explore the world and their relationship to it. We are at the forefront of developments in work for Early Years audiences and we champion 'Young Voices', providing children with a platform for their ideas and opinions by developing productions derived from their ideas and involving them in the creative process. We provide enabling, nurturing and safe environments to stimulate young minds and imaginations, and fuel a sense of discovery and open play.

Productions, Touring and Professional Development

In total just over 85,000 children and adults attended performances of shows, across 653 performances in house and 99 performances on tour.

In the Main Theatre we began the year by completing a run of *How to Hide a Lion*, which was revived and scaled-up from its previous run in the Adventure Theatre.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2023****YEAR IN REVIEW** (continued)**Productions, Touring and Professional Development** (continued)

This was followed by an exciting new version of *The Emperor's New Clothes* – Polka's first co-production with Derby Theatre. With a very timely script by Director Sarah Brigham, about 'the greatest fake news story ever told', the show cleverly wove captioning and BSL into the fabric of the production to make it a highly inclusive show. This has led to further conversations with Derby Theatre about an ongoing commitment to co-productions which are fully BSL, caption integrated and inclusive.

Our Main House production for the summer was the newly commissioned *The Pirate, the Princess and the Platypus* created by Olivier-nominated writers, Daniel Clarkson and Richard Hurst. This production was a witty fairytale adventure on the high seas, with a positive message about being who you want to be.

Following an autumn visitor season, our festive winter production was *Crackers*, a new farce by Charles Way. Over 15,000 children and adults enjoyed this new writing commission. In contrast to the previous year, the run was not interrupted by Covid-19 illnesses and every show went ahead.

To complete the year in the Main House, in the spring we opened *Jack V Giant* – a new twist on a classic fairytale, written by outgoing Artistic Director Peter Glanville along with celebrated singer and songwriter Barb Jungr. Our Associate Director, Roman Stefanski, stepped in to direct in Peter's absence. The production was hugely popular, exceeding box office targets, and transferred to Artsdepot for a week at the end of the run.

The Lost Spells, a new production by Goblin Theatre and co-produced with Polka, Watford Palace and Theatre by the Lake, opened at Watford in spring 2023, before transferring to Polka. This nature-themed new musical, based on the beautiful book by Robert Macfarlane and illustrated by Jackie Morris, received a fantastic reception.

In the Adventure Theatre we started the year with *Plastic, Drastic, Fantastic*, a co-production with South Asian dance specialists Akademi, choreographed by Suba Subramaniam and first developed through our PolkaLAB programme. The show explored the positives and negatives of plastic, and was accompanied by a small 'plastic objects' exhibition outside the theatre. Pulsating cushions could be used by D/deaf children to access the rhythms of the music. The show also toured to Watermans Arts Centre following its Polka run.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2023****YEAR IN REVIEW** (continued)**Productions, Touring and Professional Development** (continued)

For the summer, we revived the ever popular *The Paper Dolls*, a co-production with Little Angel Theatre for 3-6 year olds. This adaptation of the Julia Donaldson book was incredibly well received with very positive reviews, and had waiting lists in its final two weeks. For the festive season, we remade our 2014 production of *Grandad, Me and Teddy Too* with the original creative team led by Sarah Argent. This gentle, heart-warming tale of the relationship between a young girl and her grandfather, both online and in real life, was very appropriate as we came out of the pandemic.

Mapping, the Culture Europe funded project to explore Early Years theatre practice that Polka is part of, alongside 17 other EU countries, continued. Our Mapping co-production *Ready, Steady, Go!* visited Festival Pépites in Belgium and BRIK Festival in the Netherlands during May/June 2022, before returning to Polka for a short run as part of our own inaugural *Big Dreams Early Years Theatre Festival*. This festival was part of the *Mapping* programme and ran for five days at the end of August across the whole Polka venue, including making use of The Nest as a performance space for the first time. Just over 1,500 children and adults attended performances by five companies (including Branar from Ireland and Teater Tre from Sweden) and seven professional development events and workshops – all exploring the best in international Early Years theatre practice.

Across the year, audience feedback from post-show surveys of in-house productions showed that 93% of people think our artistic quality is good or excellent, and 94% would return to Polka.

Alongside the nine in-house productions we created, we had 15 Visiting Companies. This included in our Main House: *Rothar* by Branar as part of our Big Dreams Festival, and a world premiere adaptation of Michael Morpurgo's *Little Manfred* by the Soldiers' Arts Academy, involving serving and veteran military personnel and their family members. Other companies included NIE and Little Angel Theatre. In our Adventure Theatre we welcomed baby shows *Glisten* (Half Moon & Daniel Naddafy) and *Underwater* (Xenia Aidonopoulou and Georgia Tegou), as well as companies including Little Angel Theatre, Tangled Feet, English Touring Opera, Takeshi Matsumoto, Garlic Theatre and Page One Theatre. And for the first time we hosted performances in The Nest during the Big Dreams Festival: *We Touch, We Play, We Dance* (Second Hand Dance), and *Dreamy* (Teater Tre).

Our Associate Director Roman Stefanski, also oversaw a successful remount in Northampton of our co-production of *The Night Before Christmas* with Royal & Derngate, Northampton, which ran there from 4th-23rd December. Together with Unlimited we co-commissioned a new disabled-led production which will premiere during 2023/4.

A selection of reviews of productions from the year:

'witty and wonderfully expressive' **** The Stage about The Emperor's New Clothes

POLKA CHILDREN'S THEATRE LIMITED

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31st MARCH 2023

YEAR IN REVIEW (continued)

Productions, Touring and Professional Development (continued)

'This is definitely a show to take your child to see! Full of energy, smiles throughout, audience participation – an amazing production! Get yourself down there for a great show for children and adults alike, pure greatness!' ***** Fairy Powered Productions about The Pirate, the Princess and the Platypus

'it has charm by the bucket load...we had a cracking time' **** whatsonstage.com about Crackers

'an undeniably beautiful piece of work and a unique opportunity for families to engage in a conversation about plastic use and pollution through an unconventional and captivating medium'
Everything Theatre about Plastic, Drastic, Fantastic

Staff contributed to debate and learning in the sector through involvement at various events, including Peter Glanville sitting on the STAMP Connects panel for Theatre Deli, discussing programming children's theatre. We partnered with Chloe Stephens (Second Hand Dance) who delivered a course at Morley College in theatre performance for young audiences, inspired by the activity she delivered at the Big Dreams festival. We provided a bursary for one participant on the course who came from a Global Majority background. We hosted Wimbledon College of Arts as part of our growing collaboration with their design students, to create a production for 4-8 year olds, which told a global story and featured puppets that could fit into four suitcases. The puppets were displayed in our Diorama following the project.

We continued to expand our adapted shows programme, delivering 28 adapted performances. Adapted performances are BSL interpreted, Audio Described, Relaxed and Captioned.

"The AD show was amazing and all our families loved it. The touch tour was a wonderful addition and really helped the children get that bigger understanding and as my colleague mentioned the audio description is one of the best we've heard." Sight for Surrey

Creative Learning: Participation, Schools & Community

Our extensive and ambitious Creative Learning programme sits alongside our productions as a key part of our strategic delivery. In total, 21,016 individual children took part in Creative Learning Activities across 34,710 experiences. We delivered 1,328 events and estimate 68% of event participants were new to Polka. Over 35% of our Creative Learning activities were provided to beneficiaries for free, thanks to support from funders. Our Community Working Group continued to meet quarterly, and the Teacher's Advisory Group continues to ensure we have access to advice and feedback from our beneficiaries and the wider community, reflecting their real-time needs and demands.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2023****YEAR IN REVIEW** (continued)**Creative Learning: Participation, Schools & Community** (continued)*Community*

Our *Polka Invites* community membership scheme, set up in 2021, continued – this funded 'members' programme aims to increase access to creative experiences for marginalised families in our community. These families have been referred to us by Merton Children's Centre's and community groups such as Polish Families Associations, Merton SENDIS, Care4Calais, Merton Home-Start and Christian Care. Through their memberships, families are able to access free Polka production tickets, Saturday Club, Take Part holiday and termly workshops. By the end of the year we had 644 *Polka Invites* participants (161 families) taking up free tickets to shows, coming to drop-in workshops and attending Saturday Clubs. Over 500 free community tickets to shows were distributed, and 300 free places on workshops were taken up. We ran seven free creative community workshops at venues in our local area, and across our 10 Saturday Clubs (community story-telling and creative activities) 313 participants took part.

"We wouldn't be able to visit the theatre without Polka Invites ... it is a great thing you do."

Freefalling is our long-running flagship funded programme, working with referred children who are in challenging circumstances at home or at school. This year we worked with two *Freefalling* groups – Freefalling Foundation and Young Company – who both performed during the summer on the Polka main theatre stage. 100% of families said they had noticed a positive change in their child since they started at *Freefalling* – changes include 'more engaged', 'very happy', 'calmer' and 'willing to participate'.

"I can already tell the difference in my daughter. I knew she just needed the opportunity to express herself." Freefalling Foundation Parent.

Putting children's voices at the heart of our work is a core organisational value. Our *Younger Voices* (4-6yrs) and *Young Voices* (7-12 yrs) groups are our sounding board for projects, reviewing shows and activities, and giving us feedback and ideas to improve our building, ensuring children's voices remain at the heart of our work.

Re:Sound, our intergenerational community choir run in partnership with Merton Music Foundation, came to an end in December 2022, with a final curtain-raiser performance. This time-limited project launched during our 40th anniversary year, during our redevelopment closure period. It welcomed 107 members from age 6 months to 93 years, created their own song 'Gather and Sing' which went out on YouTube, and performed eight times at Polka and in the community.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2023****YEAR IN REVIEW** (continued)**Creative Learning: Participation, Schools & Community** (continued)

Alongside our production of *Let's Build!* we ran a complementary community programme. Children from Abbey Pre-School, South Wimbledon and Acacia Pre-School, Mitcham, took part, inspired by the show. Using a map of Merton, we introduced them to the idea of going on a journey around the borough and stopping at various landmarks along the way. With the help of Polka practitioner, Salihah Agbaje and Sound Designer, Simon Beyer the staff and children at the pre-schools explored the different sounds they would hear. These were recorded and presented through a story on our website, and a co-designed map was printed and displayed in the foyer outside the Adventure Theatre.

Free community bookings on Thursday mornings in our Clore Learning Studio sensory suite continued, allowing us to strengthen existing relationships and build new ones with a number of community and SEND groups such as Merton SENDIS, Tram House School (a BeyondAutism school), Young Parents (Merton Children's Centres), Polish Families Association and Ukrainian refugee groups, Blossom House (SEND school), isensory (Wandsworth community interest company), and SEN Talk CIC (Wandsworth based community interest company that supports children with additional communication needs).

During the winter Polka was listed as an official 'Warm Welcome Space', open 6 days per week. Despite the challenge for the venue of hugely increased energy bills, Polka's importance as a community hub and open-access free play space was retained thanks to extra support from donors. Across the year we estimate there were nearly 10,000 visits by people making use of our free indoor and outdoor play areas.

"I think it's so important for the community. Somewhere free, safe area for them to play, for social interaction it's so important even from such a young age". Parent

Schools

We worked with 143 schools during the year, through both funded and paid-for programmes.

Write Here Write Now, our funded creative writing and literacy project that supports Year 3 children, expanded to work with 11 schools (including one SEND school). 120 children participated, writing stories together that were shared by authors and actors on our Main House stage with the children and their families invited to attend. Feedback from the programme showed 96% increase in creativity and imagination, 82% increase in use of language and vocabulary, 90% increase in confidence. The programme began its fourth year in spring 2023.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2023****YEAR IN REVIEW** (continued)**Creative Learning: Participation, Schools & Community** (continued)

Our flagship *Curtain Up!* Programme continued, providing free tickets to school groups who otherwise would not be able to attend. We distributed 4,031 tickets across 31 schools, of which 53% were schools new to us. Following *Curtain Up!* performances children get the opportunity to meet the performing companies and ask them questions, adding to their quality of experience. Responding to the challenging financial circumstances that schools have continued to find themselves in, during the following academic year we are expanding this to give away 6,000 tickets.

"Each and every member of staff made us feel welcome and were so very helpful ...the whole experience for us was 10/10 thank you so very much" Roehampton Church School

We were approached by 28 schools, including from Sweden and North Macedonia, to access our free Mental Health and Wellbeing films, which have now been watched over 2,000 times. Helping teachers and parents navigate the impact that the pandemic has had on children's mental health remains a high priority for us.

We expanded our paid-for schools activities too, delivering a range of in-school day-long workshops, hosting schools at our venue for after show workshops, and delivering 11 termly after-school clubs at schools primarily in Merton.

We offered 20 young people aged 15-17 the opportunity to undertake a week of work experience, and plan to expand this in the future. The group spent time with all departments at Polka including production, marketing, fundraising, creative learning and visitor services, and presented their idea for a production at the end of the week. Four returned to us as volunteers in the Creative Learning programme.

"I have learnt there are endless options for work in theatre outside of acting, and the amount of time and work that goes into creating a show, and all the different aspects that are considered... It was brilliant and so extremely useful for my future." Work Experience participant

Participation

Weekly workshops take place during at least five days each week, with additional school holiday programmes. During the year we expanded our Act 1 and Creative Explorers groups, increasing the offer for the most in-demand, younger age range.

We delivered the Discover Arts Award programme as part of our Act 2 club. This is the first time we have offered children who participate in our Take Part programme the opportunity to achieve their Arts Award. All Act 2 Club participants passed their Arts Awards and received certificates from Trinity College, London to celebrate their amazing achievements.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2023****YEAR IN REVIEW** (continued)**Creative Learning: Participation, Schools & Community** (continued)

Children and families continue to feel the impact of the pandemic. The demand for increased support in all our activities was marked – with over 743 sessions requiring additional support for SEND or welfare needs (this is more than double what we expected). We continue to expand our inclusive theatre and creative learning work in response to this clear and growing need from our communities.

“Children being able to express themselves freely in a safe space with loving and nurturing people around them is what’s needed after the pandemic”. Parent

Awards and Recognition

We received some excellent recognition through the year. Our new building was nominated for a London Region RIBA Award in spring 2023. We won the Merton Best Business Award for Sustainable Impact, and were runners up in the Champion for Change category.

At the Offies Awards in February, we were delighted to win a People's Vote award for Programming Policy, and were also proud finalists for Online Info & Booking Award (People's Vote), TYA Design Award and TYA Production Award for *Ready, Steady, Go!*, and TYA Performance Award for *Crackers*.

We were also shortlisted for the Etties awards – Best Theatre for Young Audiences for *Ready, Steady, Go!*

In the local Time & Leisure Awards we won in the Most Innovative Arts/Community Project category, and received commendations for Sustainability, Family Attraction of the Year and Favourite Entertainment Venue.

Environmental Sustainability

Our new building continues to offer significantly improved sustainability through enhanced energy efficiency and use of new technology (we now have 46 solar panels on our roof which have saved over 6 tonnes of CO2 during the year). Our staff-led Green Team champions environmental sustainability across the organisation, with the aim of continuing improvements to our own environmental impact as well as finding ways to influence and inspire our community to be greener. We continue to work with local not-for-profit Crew Energy, who hosted an Energy Café at Polka in the autumn.

As a children’s theatre, Polka is in a unique position to spark children’s enthusiasm for their environment, and sustainability is regularly part of our theatre and creative workshops programming. *Plastic Drastic Fantastic*, a coproduction with Akademi, used Indian dance to highlight the benefits and dangers of plastic in our world.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2023****YEAR IN REVIEW** (continued)**Environmental Sustainability** (continued)

Jack V Giant carried a strong environmental message of greed destroying our landscape. Our outdoor areas continue to attract visitors, and family activities at our Saturday Clubs have included projects like bug hotel and plant pot making.

With support from the Wolfson Foundation, we were able to trade in our old Luton van for a new, fully electric, smaller van which better meets the needs of the company and has a lower environmental impact.

We participate in Love Wimbledon's business community and sustainability goals, helping to discover local ways to reduce, reuse and recycle in Wimbledon. We have a travel strategy that promotes sustainable transport amongst staff and visitors, and local and sustainable procurement policy for the café and shop. Where possible we source office furniture and equipment through recycling companies such as Reyooz. Our print brochure is certified 'Planet Positive', certified carbon neutral, and printed by an eco-accredited factory on a carbon neutral press. We stopped printing 'free sheets' for our shows and instead made them downloadable pdfs sent out to customers prior to performances, and ticketing is digital rather than printed. We have introduced food waste recycling in our café and office kitchens. Whenever possible, materials and costumes from previous shows are reused, and clothes no longer likely to be used are taken to charity shops.

We are continuing to work on improving the old parts of our building and have a 'phase two' capital project in development specifically to focus on this area. During 2022/23 we continued with the defects period for our capital redevelopment and final account settlement with main contractor ITC Solutions, which is ongoing.

Organisational Resilience

Strongly controlled expenditure and robust fundraising, particularly through developing individual giving following the capital project, has helped to ensure a strong reopening period. The continuing impact of Covid-19, increasing number of transport strikes, and a power-cut caused by the extremely hot weather in the summer, all put a strain on operations and impacted footfall, but overall our performance has been positive.

We employed over 200 staff, including over 110 freelancers. Of those paid workers 59% identified as female, 24% as male and 2% as non-binary; 15% identified as lesbian, gay, bisexual or queer; 49% identified as white British and 22% as non-white; and 11% identified as disabled, 14% as neurodivergent. We continued to support staff through training such as Trans Awareness training, Equality, Diversity and Inclusion training, and Mental Health training for managers.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2023****YEAR IN REVIEW** (continued)**Organisational Resilience** (continued)

We continue to drive earned income through ancillary sales wherever appropriate, including via our café, shop and private hires. During the year 1,140 people came to private hire events, we sold 29,758 hot drinks, and 3,415 'pocket money' toys.

Our Volunteering programme, launched in spring 2021, has brought over 140 volunteers to the theatre to support operations primarily in the Visitor Services team, ensuring the best possible welcome to Polka for our audiences and participants. Over 5,050 volunteer hours were contributed during the year through our formal volunteering programme, with many more contributed by informal volunteers. Our volunteers are a very diverse group, with 14% identifying as disabled, and 20% as neurodiverse. This continues to be an important programme in providing additional resource for the charity, but also to provide isolated members of the community with social activities, cementing Polka's position as a community hub.

Subsequent to the year end the theatre was victim to a scam attack resulting in loss of significant funds. Due to sufficient cash reserves, the impact of this event has not affected Polka's ability to deliver operationally and it remains a going concern. At the date of signing the accounts, we are working with our bank to recover in full the amounts taken – some funds have already been recovered – and we will continue to pursue this through all routes available to us. At this time, we are therefore not able to estimate the amount of the final loss of funds. A full internal review of the incident took place to identify areas where improvements could be made and actions taken to prevent similar future occurrences.

Fundraising Policy

We raise a limited percentage of our revenue funds from members of the public. We are registered with the Fundraising Regulator and all fundraising conducted on behalf of Polka, whether by committees, volunteers or staff, must comply with the Code of Fundraising Practice, Polka's policies and all relevant legislation. No complaints were received in the year about fundraising practices.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of its surplus or deficit for that period. In doing so, the Trustees are required to:

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2023****YEAR IN REVIEW** (continued)**Statement of Trustees' Responsibilities** (continued)

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITOR

A resolution will be proposed at the Annual General Meeting that Buzzacott LLP be re-appointed as auditor to the company for the ensuing year.

This report was approved by the Trustees on 25th January 2024



Dominic Proctor, Chair

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
POLKA CHILDREN'S THEATRE LIMITED

Independent auditor's report to the members of Polka Children's Theatre Limited

Opinion

We have audited the financial statements of Polka Children's Theatre (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
POLKA CHILDREN'S THEATRE LIMITED

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, 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 trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
POLKA CHILDREN'S THEATRE LIMITED

Matters on which we are required to report by exception (continued)

- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
POLKA CHILDREN'S THEATRE LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the accounts are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011), Companies Act 2006 and those that relate to data protection (General Data Protection Regulation).

We assessed the susceptibility of the charitable company's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
POLKA CHILDREN'S THEATRE LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 26 January 2024

POLKA CHILDREN'S THEATRE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31st MARCH 2023

	Notes	Unrestricted Funds <i>General</i> £	Unrestricted Funds <i>Designated & Revaluation</i> £	Restricted Funds <i>Revenue grants</i> £	Restricted Funds <i>Capital project</i> £	Total 2023 £	Total 2022 £
INCOME FROM							
Grants and donations	2	750,482	100,000	406,602	23,488	1,280,572	2,427,732
Charitable activities	3	1,352,692	-	-	-	1,352,692	566,811
Investment income	4	3,298	-	-	-	3,298	98
Total Income		2,106,472	100,000	406,602	23,488	2,636,562	2,994,641
EXPENDITURE ON							
Raising funds	5	140,180	-	-	-	140,180	147,751
Charitable activities							
Operation of theatre and related activities	5	1,941,950	146,812	397,178	320,576	2,806,516	2,050,034
Building redevelopment project	5	-	-	-	26,996	26,996	83,499
Total Expenditure		2,082,130	146,812	397,178	347,572	2,973,692	2,281,284
Net (Expenditure) / Income		24,342	(46,812)	9,424	(324,084)	(337,130)	713,357
Transfers between funds	17	-	-	-	-	-	-
Net movement in funds		24,342	(46,812)	9,424	(324,084)	(337,130)	713,357
Balance at 1st April 2022		633,520	1,531,232	373,101	7,760,955	10,298,808	9,585,451
Balance at 31st March 2023		657,862	1,484,420	382,525	7,436,871	9,961,678	10,298,808

All income and expenditure is derived from continuing activities.

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

POLKA CHILDREN'S THEATRE LIMITED**BALANCE SHEET****AS AT 31st MARCH 2023**

	Notes	2023		2022	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	9		8,942,039		9,240,583
CURRENT ASSETS					
Stock	10	6,854		4,885	
Debtors	11	290,306		118,893	
Cash at bank and in hand		1,290,278		1,687,677	
		<u>1,587,438</u>		<u>1,811,455</u>	
CREDITORS:					
Amounts falling due within one year	12	<u>(501,259)</u>		<u>(479,727)</u>	
NET CURRENT ASSETS					
			<u>1,086,179</u>		<u>1,331,728</u>
Total assets less current liabilities					
			10,028,218		10,572,311
CREDITORS:					
amounts falling due after more than one year	13		<u>(66,540)</u>		<u>(273,503)</u>
			<u>9,961,678</u>		<u>10,298,808</u>
THE FUNDS OF THE CHARITY					
Unrestricted					
General Fund	14		657,862		633,520
Revaluation Reserve	15		1,044,524		1,062,913
Designated Reserves	16		<u>439,896</u>		<u>468,319</u>
			2,142,282		2,164,752
Restricted					
Capital Project Fund	17		7,436,871		7,760,955
Other Restricted Funds	17		<u>382,525</u>		<u>373,101</u>
			<u>9,961,678</u>		<u>10,298,808</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard 102.

The financial statements were approved by the Board of Directors on 25th January 2024 and signed on their behalf by:



Dominic Proctor, Chair

Company Number: 00938592

POLKA CHILDREN'S THEATRE LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31st MARCH 2023**

	2023	2022
	£	£
OPERATING ACTIVITIES		
Net income for the reporting period	(337,130)	713,357
Depreciation charge	360,958	232,512
Interest payable	5,543	9,449
Investment income	(3,298)	(98)
(Increase) / decrease in debtors	(171,413)	40,259
Increase in creditors	79,397	159,408
(Increase) in stock	(1,969)	(4,885)
Net cash (used in) / provided by operating activities	<u>(67,912)</u>	<u>1,150,002</u>
INVESTING ACTIVITIES		
Purchase of assets	(62,414)	(1,249,744)
Investment income	3,298	98
Net cash (used in) investing activities	<u>(59,116)</u>	<u>(1,249,646)</u>
FINANCING ACTIVITIES		
Interest payable	(5,543)	(9,449)
Loan repayment	(39,814)	(29,125)
CBILS loan	(225,014)	(24,986)
Cash flows from financing activities	<u>(270,371)</u>	<u>(63,560)</u>
Change in cash and cash equivalents in the reporting period	(397,399)	(163,204)
Cash and cash equivalents at the beginning of the reporting period	<u>1,687,677</u>	<u>1,850,881</u>
Cash and cash equivalents at the end of the reporting period	<u>1,290,278</u>	<u>1,687,677</u>

Analysis of cash and cash equivalents:

	2023	2022
	£	
Cash in hand	<u>1,290,278</u>	<u>1,687,677</u>
	<u>1,290,278</u>	<u>1,687,677</u>

POLKA CHILDREN'S THEATRE LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31st MARCH 2023****Reconciliation of changes in net debt:**

	2022 £	Cash Flows £	Other Non- cash movements £	2023 £
Cash and cash equivalents				
Cash at bank and in hand	1,687,677	(397,399)	-	1,290,278
	<u>1,687,677</u>	<u>(397,399)</u>	<u>-</u>	1,290,278
Borrowings				
Mortgage due within one year	(33,111)	45,357	(47,447)	(35,201)
Mortgage due after more than one year	(108,444)	-	41,904	(66,540)
CBILS loan	(225,014)	225,014	-	-
	<u>(366,569)</u>	<u>270,371</u>	<u>(5,543)</u>	(101,741)
Total cash and cash equivalents	<u>1,321,108</u>	<u>(127,028)</u>	<u>(5,543)</u>	1,188,537

POLKA CHILDREN'S THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2023

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared in accordance with the Charities SORP (FRS102), with the Companies Act 2006, and with applicable Accounting Standards. They have been prepared under the historical cost convention and in accordance with FRS 102. The charity is a public entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Going concern

The Trustees have considered the requirement that the financial statements should be prepared on a going concern basis. They have discussed at length the effects of Covid-19, rising inflation and the Cost of Living crisis and the potential impact on the charity's operations in 2023-24 and beyond. They have concluded that it is appropriate that the financial statements be prepared on a going concern basis.

In making this assessment, the Trustees have considered whether there is a material uncertainty that the charity can continue as a going concern and how this should be presented in the financial statements. They have concluded that whilst the degree of uncertainty described in the Report of the Trustees warrants transparent disclosure, it does not constitute a material uncertainty related to going concern.

Risks continue to be managed through risk assessments and scenario planning as new external and internal factors arise. The 2023-24 budget includes conservative estimates on box office income and use of the remaining designated legacy donation. The 2024-25 forecast is based on a very small deficit or break even, with strong focus on growing earned income. The charity has on-going support from its funders, with significant grants secured focused on supporting core operations, including Arts Council England NPO status to 2026. As at the end of September 2023, the charity has secured approximately 85% of its budgeted revenue target for voluntary income or donations in 2023-24.

Taking into account the above, as well as the charity's cost base and reserves position at 31st March 2023 and having looked at least 12 months from the date of signing these accounts, the Trustees have concluded that there are no material uncertainties about the charitable company's ability to continue as a going concern.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****1. ACCOUNTING POLICIES** (continued)**Income**

Income represents monies received from grants and donations, from the productions staged in the theatre, or on tour, from Creative Learning activities, miscellaneous items effected through the theatre's ancillary operations and net fees receivable from productions after deducting percentages withheld by theatres. Income is deferred when admission fees are received in advance of the performances to which they relate.

Income from donations and grants is accounted for when the charity is entitled to the income, the receipt is probable and the amount can be estimated with reasonable certainty.

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

Income from charitable activities represents the total value of box office income, royalties from transfers and tours and other ancillary income received by the group from customers during the year, excluding value added tax.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The majority of costs are directly attributable to specific activities. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources and estimated amounts attributable to that activity in the year. The classification between activities is as follows:

Expenditure on raising funds includes all expenditure on fundraising events, corporate activities, and an allocation of staff costs.

Expenditure on charitable activities includes the production and administrative costs of the operation of the theatre and the production of plays, including depreciation on related assets.

Pre production costs are expended in the year they are incurred, tracked by production.

Allocation of support and governance costs

The majority of costs are directly attributable to specific activities. Office costs and property-related costs, which cannot be directly attributed to particular activities, are apportioned consistent with the use of resources. Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****1. ACCOUNTING POLICIES** (continued)**Building Redevelopment Project**

The Building Redevelopment Project costs included in note 3 comprises all expenditure relating to the redevelopment of the Theatre which began in spring 2019, which includes the costs of constructing the redeveloped theatre and related professional fees, as well as fundraising costs and any expenditure relating to the temporary closure of Polka Theatre. The costs which are directly attributable to the construction of the redeveloped theatre have been capitalised in accordance with FRS 102 in the year and all other project costs are written off when they are expended.

Tangible Fixed Assets

Tangible fixed assets with an economic life of more than one year are capitalised if their cost exceeds £1,000.

The freehold and leasehold buildings were revalued at £1,575,000 in the 2014 year, with the uplift in value being credited to the revaluation reserve. This was undertaken as allowed under the transition to FRS 102 with the revalued amount being treated as deemed cost from this point. The additional depreciation charge that results from this uplift in valuation is set against the revaluation fund each year.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life. The annual rates used, which are applied on a straight line basis, are currently as follows:

Freehold buildings and long term leasehold	50 years
Plant and machinery	10 years
Building redevelopment project:	
Core building	50 years
Plant and machinery	15 – 20 years
Fixtures and fittings	5 – 10 years
Theatre Equipment	3 – 15 years
IT Equipment	3 years

Stocks

Stock is valued at the lower of cost and net realisable value.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****1. ACCOUNTING POLICIES** (continued)**Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently valued at their settlement value.

The charity only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Pensions

All eligible and entitled workers for the company are able to participate in its registered auto-enrolment pension scheme operated by NOW Pensions. This scheme is open to any employee over 16 who has been with the company for at least 3 months and earns above the relevant earnings threshold. The company currently offers an employer's contribution of 3% of the employee's gross earnings, rising to 4% after one year of employment.

Theatre Tax Relief

Theatre Tax Relief (TTR) is taken into account when the amount recoverable can be reasonably estimated and the receipt is probable.

Taxation

Polka Theatre is a registered charity and therefore not liable to income tax or corporation tax on income derive from its charitable activities, as it falls with the various exemptions available to registered charities.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight line basis over the period of the lease.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****1. ACCOUNTING POLICIES** (continued)**Fund accounting**

The reserves of the charity are as follows:

Restricted funds comprise monies set aside for particular projects or purposes in accordance with the instructions of the grantor.

Designated funds are monies set aside of unrestricted general funds and designated for specific purposes by the trustees.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the members of the management committee to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets; and
- apportionment of expenditure across each activity.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****2. GRANTS AND DONATIONS**

Polka continues to be part of Arts Council England's National Portfolio Organisations – with a renewed funding agreement for 2023-26 confirmed. Core funding from the London Borough of Merton ended in 2023. We continued to build corporate support through sponsorship of events and corporate giving, and we continued to receive project and core support from a wide range of trusts and foundations.

	Unrestricted	Restricted	Total 2023
	£	£	£
Grants			
Arts Council England, London Revenue grant	580,711	-	580,711
London Borough of Merton	22,500	-	22,500
HMRC Kickstart programme	12,948	-	12,948
Other grants	-	24,687	24,687
	<u>616,159</u>	<u>24,687</u>	<u>640,846</u>
Sponsorship and Donations			
CAPITAL			
Future Polka	-	7,459	7,459
Individual Giving	-	10,250	10,250
FP Families	-	958	958
FP Founders	-	4,821	4,821
Sub-total	-	<u>23,488</u>	<u>23,488</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****2. GRANTS AND DONATIONS (continued)**

	Unrestricted	Restricted	Total 2023
	£	£	£
REVENUE			
Corporate donations	13,011	6,000	19,011
Corporate sponsorships	3,600	-	3,600
Events	2,195	20,915	23,110
Individuals	86,117	-	86,117
Icon Solutions	-	12,000	12,000
Landscape	-	7,270	7,270
MFS	5,000	-	5,000
J P Foundation	3,000	-	3,000
The Calleva Foundation	-	42,000	42,000
Wimbledon District Nursing & Midwifery	-		
Benevolent Society		4,270	4,270
The Carmela & Ronnie Pignatelli Foundation	-	2,500	2,500
The Patricia Routledge Foundation	-	2,000	2,000
Tesco Community Grants	-	1,125	1,125
Co-op Local Community Fund	-	1,432	1,432
Chan Yin Chuen Memorial Charitable Foundation	100,000	-	100,000
The Vernon N Ely Charitable Settlement	10,000	-	10,000
Joseph Strong Frazer Trust	2,000	-	2,000
Charlotte Bonham-Carter Charitable Trust	2,000	-	2,000
The Royal Victoria Hall Foundation	-	1,500	1,500
The Wolfson Foundation	-	45,000	45,000
The Charles Skey Charitable Trust	-	10,000	10,000
Wimbledon Offices Ltd	-	5,000	5,000
Clarion Housing Group	-	5,000	5,000
Eleanor Rathbone Charitable Trust	-	3,000	3,000
The Peter Stebbings Memorial Charity	-	2,500	2,500
The Dorus Trust	-	1,000	1,000
Ernest Hecht Charitable Foundation	-	25,000	25,000
Christina Smith Foundation	-	12,000	12,000
Alf and Hilda Leivers Charity Trust	-	2,000	2,000
Backstage Trust	-	5,000	5,000
Morr & Co	-	2,500	2,500
Unity Theatre Trust	-	600	600
The Barbara Whatmore Charitable Trust	-	3,000	3,000
The John Thaw Foundation	-	1,000	1,000
The Childhood Trust	-	7,500	7,500
The Topinambour Trust	-	2,500	2,500
Paul Hamlyn Foundation	-	52,000	52,000
L&Q Foundation	-	6,500	6,500
The John Horseman Trust	-	5,000	5,000
BBC Children In Need	-	10,000	10,000
Banham Foundation Limited	-	6,000	6,000

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****2. GRANTS AND DONATIONS (continued)**

	Unrestricted	Restricted	Total 2023
	£	£	£
The Taylor Family Foundation	-	7,500	7,500
The Hugo Halkes Charitable Trust	-	4,000	4,000
Others	7,391	57,312	64,703
Sub-total	234,314	381,924	616,238
Total Sponsorship and donations	234,314	405,412	639,726
Total	850,473	430,099	1,280,572

	Unrestricted	Restricted	Total 2022
	£	£	£
Grants			
Arts Council England, London Revenue grant	570,219	-	570,219
Arts Council England, Core Uplift	10,492	-	10,492
Arts Council England, CRF2	-	199,743	199,743
London Borough of Merton Revenue grant	20,000	-	20,000
London Borough of Merton Covid grant	6,000	-	6,000
ACE RED Project grant	-	67,891	67,891
DWP RED Project grant	-	4,555	4,555
HMRC Kickstart programme	45,569	-	45,569
Subsidy Income	652,280	272,189	924,469

Sponsorship and Donations**CAPITAL**

Arts Council England	-	366,941	366,941
Greater London Authority	-	10,000	10,000
Capital Trusts and Foundations:			
The Charles Skey Charitable Trust	-	200,000	200,000
The Greenslade Family Foundation	-	80,000	80,000
The London Marathon Charitable Trust Ltd	-	85,000	85,000
Clore Duffield Foundation	-	75,000	75,000
Cockayne – Grant for the Arts	-	50,000	50,000
Christina Smith Foundation	-	50,000	50,000
The Taylor Family Foundation	-	20,000	20,000
Viridor/Beddington Community Benefit Fund	-	5,000	5,000
Grange Farm Centre Trust	-	2,000	2,000
Metropolitan Public Gardens Association	-	600	600
The Culra Charitable Trust	-	500	500
Other:			
Capital Corporate	-	5,000	5,000
Individual Giving	-	37,550	37,550
Sub-total	-	987,591	987,591

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****2. GRANTS AND DONATIONS (continued)**

	Unrestricted	Restricted	Total 2022
	£	£	£
REVENUE			
Corporate donations	4,172	5,460	9,632
Events	2,229	41,047	43,276
Individuals	59,428	-	59,428
Legacy	209,378	-	209,378
The Calleva Foundation	-	29,210	29,210
Vision Foundation	-	7,650	7,650
The Ovingdean Hall Foundation	-	4,000	4,000
John Horniman's Children's Trust	-	3,000	3,000
The Bruce Wake Charity	-	2,500	2,500
The Lucille Graham Trust	-	1,000	1,000
Music for All	-	2,000	2,000
The Vernon N Ely Charitable Settlement	10,000	-	10,000
Boshier Hinton Foundation	1,000	-	1,000
The Andor Charitable Trust	1,000	-	1,000
The TK Maxx and Homesense Foundation	500	-	500
Earl of Mornington Lodge Benevolent Fund	250	-	250
The Charles Skey Charitable Trust	-	10,000	10,000
Clore Duffield Foundation	-	7,500	7,500
The Peter Stebbings Memorial Charity	-	3,500	3,500
The Wyn and Ken Lo Memorial Foundation	-	1,000	1,000
Little Lives UK	-	1,500	1,500
The Eleanor Rathbone Charitable Trust	-	3,000	3,000
Clarion Futures	-	5,375	5,375
William Howarth Charitable Trust	-	430	430
St James's Place Charitable Foundation	-	10,000	10,000
Icon Solutions	-	12,000	12,000
The National Lottery Heritage Fund	-	4,409	4,409
D'Oyle Carte Charitable Trust	-	4,000	4,000
The Peter and Teresa Harris Charitable Trust	-	3,000	3,000
Alf and Hilda Leivers Charity Trust	-	2,500	2,500
The John Thaw Foundation	-	1,000	1,000
Unity Theatre Trust	-	800	800
Teale Charitable Trust	-	500	500
L&Q Foundation	-	6,500	6,500
The John Horseman Trust	-	5,000	5,000
J P Foundation	-	5,500	5,500
Frazer Trust	-	2,000	2,000
The Sydney Black Charitable Trust	-	500	500
The Rowan Bentall Charitable Trust	-	250	250
BBC Children in Need	-	10,000	10,000
Others	-	31,584	31,584
Sub-total	287,957	227,715	515,672
Total Sponsorship and donations	287,957	1,215,306	1,503,262
Total	940,237	1,487,495	2,427,732

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****3. INCOME FROM CHARITABLE ACTIVITIES**

	2023	2022
	£	£
Consultancy	100	2,000
Box Office	805,710	350,787
Creative Learning	136,420	68,904
Royalties, touring and co-production fees	4,680	18,048
Merchandising	42,130	12,058
Café	214,794	75,348
Lettings and hires	49,567	4,261
Theatre tax relief	99,291	35,405
	<u>1,352,692</u>	<u>566,811</u>

4. INVESTMENT INCOME

	2023	2022
	£	£
Bank interest received	3,298	98
	<u>3,298</u>	<u>98</u>

5. EXPENDITURE

	2023	2022
	£	£
Raising Funds		
Salaries and wages	122,781	99,861
Sponsorship and events	17,399	26,078
Capital project fundraising	-	21,812
	<u>140,180</u>	<u>147,751</u>
Charitable Activities		
<i>Operation of a theatre and related activities</i>		
Actors, production and Creative Learning costs	855,165	683,170
Box Office Administration costs	110,308	66,410
Café costs	186,734	72,235
Shop costs	20,190	6,070
Direct Costs	537,192	345,159
Project costs	29,352	22,580
Central and premises costs	290,419	249,473
Depreciation	360,958	232,513
Marketing	252,592	239,842
Governance costs (see below)	163,606	132,582
	<u>2,806,516</u>	<u>2,050,034</u>
<i>Building Redevelopment project</i>		
Total project costs for the year	53,412	1,355,055
Less Fundraising costs (see above)	-	(21,812)
Less Capitalised costs (see note 9)	(26,416)	(1,249,744)
	<u>26,996</u>	<u>83,499</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****5. EXPENDITURE** (continued)**Governance costs**

Salaries and Wages	124,481	104,944
Audit and accountancy	17,385	14,722
Office costs	21,740	12,916
	<u>163,606</u>	<u>132,582</u>

6. NET INCOME/EXPENDITURE

	2023	2022
	£	£
This is stated after charging:		
Lease payments	44,000	44,000
Depreciation of owned fixed assets	360,958	232,513
Auditors' remuneration	17,385	14,722
	<u>422,343</u>	<u>291,235</u>

7. STAFF COSTS

	2023	2022
	£	£
Wages and Salaries	980,692	720,007
Pension contributions	25,708	15,639
Social security costs	80,935	60,481
	<u>1,087,335</u>	<u>796,127</u>

No employee earned more than £60,000 per annum (2022: none).

No members of the Board of Directors received any remuneration during the year for executive services. The Board members were not paid or reimbursed for expenses during the year.

The cost of employment of Key Management Personnel amounted to £120,800 (2022: £114,734). Key Management Personnel comprise the Joint Chief Executives.

	2023	2022
	No.	No.
Average number of employees during the year		
Senior Management Personnel	2	2
Directors and performers	6	4
Sales, administration and others	25	22
	<u>33</u>	<u>28</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****8. INTEREST PAYABLE**

	2023	2022
	£	£
Mortgage loan interest	5,543	6,446
CBILS loan interest	2,590	3,003
	<u>2,590</u>	<u>3,003</u>

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings	Short leasehold land and buildings	Leasehold Improve- ments	Building Redeve- lopment Project	Plant and Machinery	Total
	£	£			£	£
Cost						
At 1 April 2022	1,050,000	950,000	19,113	7,665,366	183,089	9,867,568
Additions	-	-	-	26,415	35,999	62,414
At 31 March 2023	<u>1,050,000</u>	<u>950,000</u>	<u>19,113</u>	<u>7,691,781</u>	<u>219,088</u>	<u>9,929,982</u>
Depreciation						
At 1 April 2022	104,958	152,000	1,580	185,358	183,089	626,985
Charge for the year	21,000	19,000	382	319,076	1,500	360,958
At 31 March 2023	<u>125,958</u>	<u>171,000</u>	<u>1,962</u>	<u>504,434</u>	<u>184,589</u>	<u>987,943</u>
Net book value						
At 31 March 2023	<u>924,042</u>	<u>779,000</u>	<u>17,151</u>	<u>7,187,347</u>	<u>34,499</u>	<u>8,942,039</u>
At 31 March 2022	<u>945,042</u>	<u>798,000</u>	<u>17,533</u>	<u>7,480,008</u>	<u>-</u>	<u>9,240,583</u>

10. STOCKS

	2023	2022
	£	£
Books	2,447	1,010
Café	2,343	1,394
Shop	2,064	2,481
	<u>6,854</u>	<u>4,885</u>

11. DEBTORS

	2023	2022
	£	£
Trade debtors	37,121	23,845
Prepayments and accrued income	251,635	92,481
Other debtors	1,550	2,567
	<u>290,306</u>	<u>118,893</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Mortgage loan (secured)	35,201	33,111
Other taxes and social security costs	21,171	6,122
Trade creditors	173,645	171,910
Accruals and deferred income	251,052	183,231
Other creditors	20,190	25,398
CBILS loan	-	59,955
	<u>501,259</u>	<u>479,727</u>
Deferred income		
Balance at 1 April	96,819	12,150
Deferred income released in the year	(96,819)	-
Resources deferred in the year	188,542	84,669
Deferred income at 31 March	<u>188,542</u>	<u>96,819</u>

Included within deferred income is an amount of £148,763 (2022 - £73,310) relating to ticket sales received in advance for productions that will take place in 2023/24.

13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2023	2022
	£	£
Mortgage loan (secured)	66,540	108,444
CBILS loan	-	165,059
	<u>66,540</u>	<u>273,503</u>
Repayable between one and five years	<u>66,540</u>	<u>273,503</u>
	<u>66,540</u>	<u>273,503</u>

As part of Polka's mitigation of risk during Covid-19, a £250,000 CBILS loan was taken out with Barclays. The period of the loan was for 6 years (72 months) from 21st September 2020. The terms of the loan included 2.99% floating rate interest and a capital repayment holiday for the first 12 months. During the year, 100% of the loan was repaid.

The charity has a loan from Barclays, the capital value of which was £208,000 prior to any repayment. The loan is secured by a legal charge over 244, 246 and 248 The Broadway and over 252 and Land at Back of 254 The Broadway. The loan is for a term of 20 years, from 7 December 2007 to 7 December 2027. Interest on the loan is charged at 2.5% per annum over the Bank of England's base rate. Repayment shall be made in monthly instalments of £1,830.36.

The charity has a loan from Barclays, the capital value of which was £230,000 prior to any repayment. The loan is secured by a legal charge over 244, 246 and 248 The Broadway, over 252 and Land at Back of 254 The Broadway, and over 250/252 The Broadway. The loan is for a term of 15 years, from 12 November 2010 to 12 November 2025. Interest on the loan is charged at 4.29% per annum fixed for 5 years from the date of draw down. At the end of 5 years, interest is charged at 2.54% per annum over the Bank of England's base rate. Repayment shall be made in monthly instalments of £1,742.14 decreasing to £1,637.72 after five years.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****14. GENERAL FUND**

	At 1 April 2022	Income	Expenditure	Transfers	At 31 March 2023
	£	£	£	£	£
Unrestricted funds	633,520	2,106,472	(2,082,130)	-	657,862

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
Unrestricted funds	452,458	1,507,146	(1,116,716)	(209,368)	633,520

15. REVALUATION RESERVE

The freehold and leasehold buildings were revalued at £1,575,000 in the 2014 year, with the uplift in value being credited to the revaluation reserve. This was undertaken as allowed under the transition to FRS102 with the revalued amount being treated as deemed cost from this point. The additional depreciation charge that results from this uplift in valuation is set against this fund each year.

	At 1 April 2022	Income	Expenditure	Transfers	At 31 March 2023
	£	£	£	£	£
Revaluation reserve	1,062,913	-	(18,389)	-	1,044,524

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
Revaluation reserve	1,081,302	-	(18,389)	-	1,062,913

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****16. DESIGNATED RESERVES**

	At 1 April 2022	Income	Expenditure	Transfers	At 31 March 2023
	£	£	£	£	£
Equipment	23,959	-	(3,423)	-	20,536
Capital project	234,992	-	-	-	234,992
Anne Ross Legacy fund	209,368	-	(100,000)	-	109,368
Chan Yin Chuen Memorial Charitable Foundation	-	100,000	(25,000)	-	75,000
	<u>468,319</u>	<u>100,000</u>	<u>(128,423)</u>	<u>-</u>	<u>439,896</u>

The Equipment fund incorporates funds raised which depreciate against the life of the equipment.

The Capital Project fund is General Funds designated by the Trustees for use on the building redevelopment.

The Anne Ross Legacy fund was created following receipt of a one-off legacy and will be used to support creation of productions during the period 2022-24.

The Chan Yin Chuen Memorial Charitable Foundation fund was set up following a donation by this supporter towards general running costs across calendar year 2023.

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
Equipment	27,382	-	(3,423)	-	23,959
Capital project	234,992	-	-	-	234,992
ACE fund	120,000	-	(120,000)	-	-
Re-opening fund	291,267	-	(291,267)	-	-
Anne Ross Legacy fund	-	-	-	209,368	209,368
	<u>673,641</u>	<u>-</u>	<u>(414,690)</u>	<u>209,368</u>	<u>468,319</u>

17. RESTRICTED FUNDS

	At 1 April 2022	Income	Expenditure	Transfers	At 31 March 2023
	£	£	£	£	£
CAPITAL PROJECT FUND					
Theatre Redevelopment Fund	7,760,955	23,488	(347,572)	-	7,436,871
	<u>7,760,955</u>	<u>23,488</u>	<u>(347,572)</u>	<u>-</u>	<u>7,436,871</u>
This comprises:					
Capitalised costs	7,480,008	-	(319,076)	26,416	7,187,348
Unspent funds	280,947	23,488	(28,496)	(26,416)	249,523
	<u>7,760,955</u>	<u>23,488</u>	<u>(347,572)</u>	<u>-</u>	<u>7,436,871</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****17. RESTRICTED FUNDS (CONTINUED)**

	At 1 April 2022	Income	Expenditure	Transfers	At 31 March 2023
	£	£	£	£	£
OTHER RESTRICTED FUNDS					
Original Theatre Fund	242,761	-	(8,975)	-	233,786
Write Here, Write Now	19,750	79,794	(73,544)	-	26,000
Freefalling	46,930	53,220	(72,160)	-	27,990
Access	40,160	64,000	(92,910)	-	11,250
RED	-	7,544	(7,544)	-	-
Curtain Up!	4,000	103,345	(84,345)	-	23,000
Choir	9,500	2,557	(12,057)	-	-
Take Your Seats	10,000	32,500	(25,500)	-	17,000
Core	-	1,500	(1,500)	-	-
Mapping	-	17,143	(17,143)	-	-
Vehicle Fund	-	35,999	(1,500)	-	34,499
Window Replacement Fund	-	9,000	-	-	9,000
	<u>373,101</u>	<u>406,602</u>	<u>(397,178)</u>	<u>-</u>	<u>382,525</u>
TOTAL	<u>8,134,056</u>	<u>430,089</u>	<u>(744,751)</u>	<u>-</u>	<u>7,819,394</u>

Theatre Redevelopment Fund	For use during the Future Polka redevelopment project, begun in 2019 and completed in 2021/22.
Original Theatre Fund	Relating to the original building project to create the theatre in 1979.
Vehicle Fund	For use against the depreciating cost of the Polka van.
Window Replacement Fund	For use against replacement of venue windows.

Restricted project funds:

Write Here Write Now

Freefalling

Access

RED

Curtain Up!

Choir

Take Your Seats

Core

Mapping

Restricted funds that are for specific projects delivered by the Creative Learning and Producing departments, to which restricted funds received in advance of the activities taking place are assigned. These funds change annually according to the theatre's project programming, and may be one-off short-term or ongoing annual projects.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****RESTRICTED FUNDS (CONTINUED)**

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
CAPITAL PROJECT FUND					
Theatre Redevelopment Fund	7,064,031	987,591	(290,668)	-	7,760,955
	<u>7,064,031</u>	<u>987,591</u>	<u>(290,668)</u>	<u>-</u>	<u>7,760,955</u>

This comprises:

Capitalised costs	6,415,622	-	(185,357)	1,249,743	7,480,008
Unspent funds	648,409	987,591	(105,310)	(1,249,743)	280,947
	<u>7,064,031</u>	<u>987,591</u>	<u>(290,668)</u>	<u>-</u>	<u>7,760,955</u>

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
OTHER RESTRICTED FUNDS					
Original Theatre Fund	251,736	-	(8,975)	-	242,761
Write Here, Write Now	29,283	25,750	(35,283)	-	19,750
Freefalling	20,500	60,307	(33,877)	-	46,930
Polka40 Resound	2,500	4,409	(6,909)	-	-
Access	-	52,196	(12,036)	-	40,160
RED	5,000	72,446	(77,446)	-	-
Curtain Up	5,000	17,796	(18,796)	-	4,000
Choir	-	10,750	(1,250)	-	9,500
Maanika and the Wolf	-	5,460	(5,460)	-	-
Big Bash	-	41,047	(41,047)	-	-
Culture Recovery fund	-	199,743	(199,743)	-	-
Take Your Seats	-	10,000	-	-	10,000
	<u>314,019</u>	<u>499,904</u>	<u>(440,822)</u>	<u>-</u>	<u>373,101</u>
TOTAL	<u>7,378,050</u>	<u>1,487,495</u>	<u>(731,489)</u>	<u>-</u>	<u>8,134,056</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2023	Fixed Assets	Net Current Assets	Creditors > 1 year	Total
	£	£	£	£
Unrestricted Funds				
General Fund	307,106	417,296	(66,540)	657,862
Revaluation Reserve	1,044,524	-	-	1,044,524
Designated Funds	20,536	419,360	-	439,896
Restricted Funds				
Capital Project Fund	7,187,348	249,523	-	7,436,871
Other Restricted Funds	382,525	-	-	382,525
	<u>8,942,039</u>	<u>1,086,179</u>	<u>(66,540)</u>	<u>9,961,678</u>

POLKA CHILDREN'S THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2023

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

2022	Fixed Assets	Net Current Assets	Creditors > 1 year	Total
	£	£	£	£
Unrestricted Funds				
General Fund	300,602	606,420	(273,503)	633,519
Revaluation Reserve	1,062,913	-	-	1,062,913
Designated Funds	23,959	444,360	-	468,319
Restricted Funds				
Capital Project Fund	7,480,008	280,947	-	7,760,955
Other Restricted Funds	373,101	-	-	373,101
	<u>9,240,583</u>	<u>1,331,727</u>	<u>(273,503)</u>	<u>10,298,807</u>

19. FINANCIAL COMMITMENTS

At the year end, the charity had future minimum lease payments under operating leases as follows:

	2023	2022
	£	£
Land & Buildings		
Due in less than 1 year	44,000	44,000
Due in between 2 and 5 years	136,340	176,000
Due in more than 5 years	-	4,340
	<u>180,340</u>	<u>224,340</u>

20. LEGAL STATUS

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

21. TAXATION

The company is a registered charity and no taxation liabilities arise from its charitable activities.

POLKA CHILDREN'S THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2023

22. RELATED PARTIES

Trustees made donations in the year totalling £14,104 (2022: £2,272). Trustees pay the normal admission charge when they attend performances and other events.

Income received from connected entities totalled £Nil (2022: £491).

During the year a donation of £4,000 was received from The Hugo Halkes Charitable Trust, of which Nigel Halkes is a common trustee. In addition, a payment of £960 for Audio Description services was made to VocalEyes, of which Lynette Shanbury is a trustee.

Following her resignation as a Trustee on 4 December 2020, Katy Manuel was employed by the charity as a Marketing Consultant. The appointment was approved by the Board of Trustees and the Charity Commission. Following completion of this paid consultancy and a 6 month gap, Katy rejoined the Board in September 2022.

There were no further related party transactions within the year.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****23. COMPARATIVE FIGURES FOR THE STATEMENT OF FINANCIAL ACTIVITIES AS REQUIRED BY FRS 102**

	Notes	Unrestricted Funds <i>General</i> £	Unrestricted Funds <i>Designated & Revaluation</i> £	Restricted Funds <i>Revenue grants</i> £	Restricted Funds <i>Capital project</i> £	Total 2022 £
INCOME FROM						
Grants and donations	5	940,237	-	499,904	987,591	2,427,732
Charitable activities	2	566,811	-	-	-	566,811
Investment income	4	98	-	-	-	98
Total Income		1,507,146	-	499,904	987,591	2,994,641
EXPENDITURE ON						
Raising funds	3	125,939	-	-	21,812	147,751
Charitable activities						
Operation of theatre and related activities	3	990,777	433,079	440,822	185,356	2,050,034
Building redevelopment project	3	-	-	-	83,499	83,499
Total Expenditure		1,116,716	433,079	440,822	290,667	2,281,284
Net Income/(Expenditure)		390,430	(433,079)	59,082	696,924	713,357
Transfers between funds	16	(209,368)	209,368	-	-	-
Net movement in funds		181,062	(223,711)	59,082	696,924	713,357
Balance at 1st April 2021		452,458	1,754,943	314,019	7,064,031	9,585,451
Balance at 31st March 2022		633,520	1,531,232	373,101	7,760,955	10,298,808

POLKA CHILDREN'S THEATRE LIMITED

England & Wales - Charity number 256979

Accounts



POLKA CHILDREN'S THEATRE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2022

Registered Charity Number 256979

Registered Company Number 00938592

POLKA CHILDREN'S THEATRE LIMITED

Annual Report and Financial Statements for the year ended 31st March 2022

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POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2022**

The trustees are pleased to present their report together with the financial statements of the charitable company for the year ended 31st March 2022.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number:	256979
Company Number:	00938592
Company Secretary	Lynette Alston
Principal Office:	240 The Broadway, Wimbledon, London SW19 1SB
Auditor	Buzzacott LLP, 130 Wood Street, London, EC2V 6DL
Bankers	Barclays Bank plc, 8 Alexandra Road, Wimbledon, London SW19 7JZ

Directors and Trustees

The directors of the charitable company (the company) are its Trustees for the purpose of charity law. Throughout this report they are collectively referred to as the Trustees. The following served as Trustees during the year and up to the date of signing this report, except where shown:

Chair:	Sarah King
Deputy Chair:	Vivienne Creevey
Treasurer:	Nigel Halkes Michael Bradley Mairi Brewis Bilal Hafeez (retired 16 th June 2022) Alison Harpur Rebecca Holt (retired 9 th February 2022) Dr Gerard Silverlock (retired 8 th September 2021) Nicola Theron (retired 25 th March 2022) Emily Vaughan-Barratt Fiona McLaren (appointed 20 th September 2021) Ted Lougher (appointed 20 th September 2021, retired 16 th June 2022) Victoria Aspden (appointed 20 th September 2021) Arif Saad (appointed 20 th September 2021) Kellie William-Jauvel (appointed 20 th September 2021) Michael Lord (appointed 25 th March 2022) Catherine Manuel (appointed 22 nd September 2022)

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2022****A VIEW FROM THE CHAIR**

After two and a half years, Polka reopened in August 2021, following a transformative refurbishment that has delivered a venue that is truly "first in its class". From a tired, if much-loved old building we now have a wonderful, child-centred space reverberating with light, movement and colour. Polka is now a vibrant arts hub, with two theatres, a Creative Learning Studio, play den with dressing up and book corners, plus the rehearsal and community space, outdoor play area, multi-sensory garden, family friendly café and shop, all right in the heart of the community. As a result of the pandemic, we ended up being closed 18 months longer than anticipated, so it was a real joy to be able to return to live theatre with a pop-up production of *Maanika and the Wolf* at Centre Court Shopping Centre in Wimbledon in late July 2021. At the same time a massive refitting exercise was underway at Polka to ensure the building was ready for the 100,000 plus children and families that come to visit us each year.

When we closed Polka's doors for the redevelopment in February 2019, we had no idea we would be re-opening in a totally new, post-pandemic operating environment. With a new building and a new team, the management faced a very challenging autumn and winter in 2021, with show closures and disruption due to Covid outbreaks amongst the company and the schools hoping to visit – challenges which persist to this day. The impact on Britain's arts sector has been devastating. I am incredibly proud of the tenacity, spirit and sheer hard work that the team has poured into ensuring Polka has operated as smoothly as possible within the context of these ongoing challenges. The Trustees are also enormously grateful for the extraordinary support we have received from the Culture Recovery Fund and Arts Council England and for the faith all our funders have shown in Polka by helping to sustain us through this period.

The quality of Polka's artistic output is astonishing and spans plays, story-telling, musicals, opera, dance and creative workshops. Sadly, the need for all that it offers has never been greater. School time and budgets are being squeezed, and children face an increasingly complex and challenging world, with relentless news of climate catastrophe, societal conflict and war. Mental health difficulties and social and economic inequality are increasing. The thoughtfully created theatre and creative learning activities that we deliver offer the joy of escaping into extraordinary stories and imaginative worlds that ignite ideas. Rather than offering answers, Polka sees its contribution as helping children to evolve their own ideas and solutions, providing the creative tools they can use to express themselves and face their world with confidence, all in a safe space where they are always welcomed and will always belong. I have direct experience of this since, as a child, it was seeing the wonderful puppet shows at the forerunner to Polka and watching the BBC series *Jackanory* that made me determined to overcome dyslexia.

Polka has been on a remarkable journey, not just over the past few years, but over the entire past decade since I was appointed Chair. I will be stepping down in November 2022, along with three talented Trustees who have given so much time, energy and enthusiasm to the theatre: Nigel Halkes (Treasurer), Vivienne Creevy (Deputy Chair) and Mairi Brewis (strategy lead) and we are all agreed,

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2022**

it has been a privilege. During the course of the year we also said goodbye to Nicola Theron and Rebecca Holt, as well as appointing five new Trustees in time to allow an overlap before filling the vacated seats and they have already shown just what an asset to the organisation they will be.

I am so grateful to all the Trustees and staff who have made my time serving Polka such a rewarding exercise and fruitful time, most especially the joint CEOs Lynette Shanbury and Peter Glanville. It has been an extraordinary ride, with the most significant developments being the growth of Polka's confidence in the value of what it offers children and the growth of our work in the community. Following Polka's first ever capital campaign, for which we raised almost five times its annual income, I leave Polka with a fabulous £9m new building as well as a strengthened governance structure and management team, an excellent strategy taking the company up to 2025, strong reserves to help us on our way to ensuring we break even by 2023/24 and, of course, a new Chair, Dominic Proctor. With the current highly competitive funding environment, the coming year will be tough for Polka and the arts more generally. However, despite all the uncertainties and challenges, with all this in place I know I leave Polka in excellent hands for the future.



Sarah King,

Chair, Board of Trustees

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2022****STRUCTURE, GOVERNANCE AND MANAGEMENT****Governing Document**

Polka Children's Theatre Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 10th September 1968 and amended to allow for current governance arrangements on 16th October 1987, 14th October 1993 and 8th February 2012. It is registered as a charity with the Charity Commission.

Appointment of Trustees

As set out in the Articles of Association, the Trustees have the power at any time to appoint any person to be a member of the Board, to fill a casual vacancy or as an additional member of the Board. Any person so appointed holds office only until the next Annual General Meeting and is then eligible for re-election. At each Annual General Meeting, one-third of the members of the Board retire from office.

Trustee Induction and Training

New Trustees receive briefings on the history of the company, their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Board and decision-making processes, the company plan and recent financial performance of the company.

Organisation

The Board of Trustees determines the long-term objectives of the company. It meets quarterly and detailed oversight is further assured through a structure of Board Working Groups covering finance, development, operations, artistic and creative learning programming, and marketing and commercial activities. The Board appoints executive officers, not being members of the Board, to discharge the artistic, administrative and other duties necessary for the proper functioning of the company.

The remuneration of the Executive Officers is recommended to the Board of Trustees by the Finance Working Group with reference to comparable salary levels within the subsidised theatre sector.

Executive Officers: Peter Glanville, Joint Chief Executive and Artistic Director
 Lynette Alston, Joint Chief Executive and Company Secretary

The Executive Officers represent Key Management Personnel and their cost of employment for the year totalled £114,734.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2022****Public Benefit**

In shaping Polka's objectives for the year and planning our activities, the Trustees considered the Charity Commission's guidance on public benefit and fee charging. The Theatre relies on grants and the income from sales, fees and charges to cover its operating costs. In setting the charity's programme of work and the level of fees, charges and concessions, the Trustees gave particular consideration to the accessibility of the theatre for those on low incomes and those with least opportunity to participate in cultural activities.

Objectives and Activities

The charitable objects of the company are to promote, maintain, improve and advance education, particularly by the production of plays for children and the encouragement of the arts, including the arts of drama, mime, puppetry, dance, singing and music.

The overarching mission of the organisation is *to empower children to navigate their world through inspirational theatre and creative experiences*. Polka wants to give as many children as possible, from all backgrounds, the opportunity to experience thrilling, innovative, world-class theatre, and creative learning opportunities, in a welcoming space that they can call their own.

Strategic Objectives

1. Provide inspiring, diverse and inclusive world-class theatre and creative learning opportunities for children aged 0-12
2. Enable as many children as possible, from all backgrounds, to access the enriching theatre experiences Polka offers
3. Maintain a welcoming and inclusive space dedicated to the playful inspiration of children, where families, schools and communities come together
4. Support children's learning, personal development and enjoyment
5. Be a locally, nationally and internationally valued organisation
6. Drive pioneering practice within children's theatre
7. Provide a respectful, inclusive and supportive environment for everyone at Polka, to achieve their best for our beneficiaries
8. Be a financially sustainable and environmentally responsible organisation

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2022****Our Values**

- Child-centred - placing children at the heart of everything Polka does
- Community - engaging our diverse communities of children, families, educationalists and artists
- Excellent - pioneering, adventurous, offering the highest quality
- Memorable - creating magical, meaningful experiences
- Inclusive - welcoming, accessible, nurturing, supportive, representative.

Overview

In February 2019 the theatre closed for the first radical redevelopment of the premises since Polka first opened its doors in 1979. The redevelopment aimed to provide new and improved community play areas and accessibility, better facilities for artists and staff, and greater opportunities for earned income generation through an enlarged shop and café and more attractive spaces for hire. While Covid-19 resulted in very significant delays to the project, the theatre began reopening to the public in late summer 2021.

During the pandemic, whilst the theatre was closed for redevelopment, we focused on growing our Polka Online programme, providing children across the country with online creative activities. With the reopening of our new building, our focus shifted back to 'live' theatre. Fitting up and reopening the theatre was a mammoth undertaking. Not only were we opening an essentially new venue, with a largely new team – as we had expected to do – but we were also operating in a totally new context and environment thanks to Covid-19. We met the challenge head-on and, despite understandable public caution generated by the pandemic, by the end of the year over 45,000 people had experienced our work 'live', with another 4,500 engaging in online creative workshops and performances.

Finance

With the reopening of the building we began scaling up our permanent staff team from April 2021, supplemented by fixed-term and freelance workers as required. We made use of the Government's Kickstart scheme and recruited eight unemployed local people aged under 26 – of these, six continue working with us. This scheme was highly beneficial as it allowed us to introduce new team members to the company in roles that would otherwise not have been financially feasible, helping us deliver our charitable aims and projects during our busy reopening period. We also launched a major new volunteering scheme, focusing on Visitor Services roles and, following the creation of a new role of Volunteer Coordinator, over 100 volunteers have been signed up during the year.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2022****Finance** (continued)

We retained our CBILS loan throughout the period as a caution during a high risk period, details of which are given in Note 12 to the accounts. Subsequently we have repaid 100% of the outstanding CBILS loan.

Revenue

Polka operates a mixed funding model, with both earned and funded income vital to enable the company to operate effectively. With performances taking place off-site during summer 2021 and then on-site from September, there was an increased box office income compared to the previous year. However, Covid-19 continued to significantly impact activities, causing cancellations of some Creative Learning activities and performances, as staff and artists fell ill. This particularly affected our winter Main Theatre production of *Cinderella: the awesome truth!* which, due to a combination of injury and Covid-19, had a three week closure period over what would have normally been one of our busiest periods. Our school audience were also badly affected, as teacher shortages and parental concerns prevented theatre trips from taking place. Alongside strong cost control, support from funders, both public and private, proved fundamental in sustaining the core function of the organisation during this challenging year, with only 17% of our income coming from earned sources during the year (4% in YE 2021).

The Government's Culture Recovery Fund, through which we have received both support for capital and revenue work, was essential in ensuring we remained financially stable and could continue to deliver artistic work. Support from Arts Council England and Merton Council continued to be vital, accounting for 41% of our income (64% in YE 2021, 34% YE 2019 pre closure). We continued as an Arts Council England National Portfolio Organisation for the period 2018-22. As our agreement comes to an end, 2022 will be the final year we receive revenue funding from Merton Council. Looking ahead, delivering quality work at a time of declining public funding remains an on-going challenge, but Polka is well placed to meet the priorities of public funders in such areas as creative education for children, health and wellbeing, community engagement and community cohesion, representation and diversity. These priorities will become ever more pressing over the next few years as we respond to the long-term impacts of the pandemic on children, the needs of schools facing increasing budgetary and timetable/curriculum pressures, and the cost of living crisis restricting family spending on leisure.

Capital Project

Polka took Practical Completion of the building from main contractors ITC Solutions on 23rd July 2021. Generous support for the project came from a wide range of sources, from local to national level, individual to public. Fundraising has continued throughout the project, and a restricted Capital Fund will enable us to settle the final account with the main contractor and any retention due. Details of our capital funders is given in Note 5 to the accounts.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2022****Covid-19 Impact and Legacy**

Covid-19 has continued to have a significant impact throughout the year:

- *Cancellation of activities:* both Creative Learning and (particularly) in-house productions during the winter were impacted by closure, with an estimated impact on income of at least £40K
- *Changing audience behaviour:* audiences are still not returning to the same level as before the pandemic and those who do are attending less frequently and booking much later, often at the last-minute, which makes predicting income and mitigating risk considerably more challenging. This is likely to continue for many years, particularly given the related down turn in the economy.
- *Impact on fundraising:* with a growth in need and demand, the funding environment is likely to be increasingly competitive. Although previously popular, live events continue to be a more risky activity due to the potential of cancellation or staff/VIP illness.
- *Staff:* there is noticeably lower resilience amongst staff due to the impact the pandemic has had on their mental and physical health.

Risk Management

The Board of Trustees has a risk management strategy which comprises:

- A regular review of the risks that the company may face
- The establishment of strategies and procedures to mitigate those risks
- The implementation of procedures designed to minimise any potential impact on the company should those risks materialise.

A risk register is reviewed at each quarterly Board meeting.

The principal risks and mitigations identified at 31st March 2022 were:

- High workload and stress on staff arising from general challenging sector environment – additional temporary staffing and outsourcing is used to support key periods of high activity; mental health resources, alongside social activities, have helped support staff.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2022****Risk Management** (continued)

- Loss of key staff, especially at senior level, with salary inflation and inability to fill key staff roles, plus a sector skills drain particularly in key areas such as technical – addressed by robust recruitment processes and focus on team wellbeing and positive organisational culture to ensure Polka is an inclusive and happy place in order to attract and retain staff; salary benchmarking to ensure competitiveness; where practicable, we recruit for aptitude and provide training.
- Impact of Covid-19/ lockdown and the workload arising from the capital project on mental health – additional project management, marketing, HR, fundraising and volunteer support is being utilised, with outsourced consultancy to drive forward projects; mental health resources, alongside social activities, have helped support staff.
- Ongoing pandemic causes reduced capacity for live activities in the long-term or a full shut down - we are planning all activities with as much flexibility as possible, controlling fixed overheads and continuing good funder relationships; working with sector partners to raise the profile and benefits of live theatre
- Pressure on finances with rising costs of general overheads and materials, greater competition on funding and challenges in raising box office and other earned income

Attention has also been given to non-financial risks arising from the health and safety of staff and child protection, which are standing items on the risk register. These risks are managed by having robust policies and procedures in place, providing regular training for staff working in these operational areas and monitoring by staff safety and safeguarding teams, with oversight by the Board. Polka's Working Group structure enables a wider range of stakeholders to input to and influence decision making within the organisation, focusing on key areas including Artistic, Operations, Commercial, Finance, Community, Teachers/Schools and Young Voices.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2022****Reserves Policy**

This year continued to be unusual for the charity, due to the continuing capital project and pandemic. The Trustees have reviewed the charity's reserves policy in line with the guidance issued by the Charity Commission and recognise the need to safeguard the organisation against potential reductions in grant-aided income, fluctuations in earned income and unplanned expenditure, particularly emergency repairs and maintenance to the theatre premises going forward. They also note the particular situation caused by the Covid-19 pandemic, and the potential impact on the charity's operations in future years. They consider that unrestricted general reserves should be maintained at a level at least equal to three months' "core" revenue operating expenditure, which, at normal operating levels (when the building is open) equates to approximately £325,000. In compliance with this policy, the unrestricted general reserves at 31st March 2022 amounted to £633,520.

The Trustees recognise that unrestricted reserves may need to be utilised to support operations in this unprecedented environment (any such use will be agreed through the usual governance structure of the organisation). Nevertheless, Trustees consider that the current reserve levels remain appropriate for the organisation. In addition, the Board designates reserves for specific purposes out of unrestricted funds each year as required when approving the annual accounts. Expenditure out of designated reserves is then approved in accordance with normal authorisation policies. Designated reserves at 31st March 2022 amounted to £468,319 (see Note 16 to the Accounts).

YEAR IN REVIEW

Polka is a pioneering national theatre for children based in Wimbledon, South West London. The first UK venue to be created exclusively for young audiences, we specialise in work for children aged 0-12 years and remain one of very few theatres in the UK that regularly commissions and produces new work for children in this age range. Since 1979, we have built a local, national and international reputation and are recognised for the quality of our productions through which children explore the world and their relationship to it. We are at the forefront of developments in work for Early Years audiences and we champion 'Young Voices', providing children with a platform for their ideas and opinions by developing productions derived from their ideas and involving them in the creative process. We provide enabling, nurturing and safe environments to stimulate young minds and imaginations, and fuel a sense of discovery and open play.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2022****YEAR IN REVIEW** (continued)**New Building**

'A once fading-looking theatre now stands as one of the best-equipped kids theatres in the world.'

Time Out

Our capital redevelopment (2019-21) marked a new phase in the organisation's history, creating a new space that reflects our inclusive and accessible values and re-imagining how our venue can cater for and inspire new generations of young audiences, school groups and families. Designed by Foster Wilson Architects, the capital project was over 10 years in the planning. Interior design of public spaces was by theatre designer Laura McEwen, who brought Polka's special magic to these inspiring areas. A mammoth effort from the Polka team, including 45+ theatre freelancers, to fit out the building, has resulted in the stunning creative standard that befits a world-leading children's theatre. After two years and seven months of closure we had to reinvent systems with an almost entirely new team, getting back up to speed quickly, more than doubling our core staff team in four months. The new building includes:

- Vastly improved accessibility across public, backstage and office spaces
- Free open-access indoor and outdoor play spaces
- Doubled in size café and shop accessible from the street
- Remodelled front of the building which is much more open and inviting
- Refurbished Main Theatre with improved accessibility and new seating
- Significant environmental improvements such as solar panels, additional insulation across new spaces and a BREEAM (Building Research Establishment's Environmental Assessment Method) 'excellent' rating
- State of the art new Adventure Theatre, with flexible studio set up
- New rehearsal and community space The Nest
- Clore Learning Studio with interactive sensory suite technology
- Sensory garden

Our outdoor play area, designed by play specialists The Space to Play, was shortlisted for an Architecture Journal Small Projects Award in spring 2022.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2022****YEAR IN REVIEW** (continued)**Productions, Touring and Professional Development**

Due to delays in reopening our building, our first new live production was staged at a pop-up venue at Wimbledon's Centre Court Shopping Centre, which we transformed into an intimate performance space. *Maanika and the Wolf* put a new, south Asian spin on the Red Riding Hood story for 3-6 year olds. It was created and directed by Polka's Artistic Director Peter Glanville, with music by Arun Ghosh and design by Sophia Lovell Smith. Additional dramaturgical support was by Sudha Bhuchar, co-founder of Tamasha Theatre Company. It gave us the opportunity to re-engage local audiences after such a long closure period.

From 16th August 2021 we began to reopen Polka Theatre, firstly with Creative Learning activities (see below) and then with our first production from September. *RED* was an ambitious promenade performance that took audiences on a journey across the ground floor. It was creatively led by disabled, queer director Hannah Quigley, and performed by three d/Deaf performers using BSL as the primary language. Design was by Rachana Jadhav, with Ben Glover as Associate Designer for digital elements. We worked with Harris Primary School including d/Deaf or hearing impaired children to create the 'digital set' of one of the performances (the audience moved through three spaces). This gave the opportunity to test out Polka's new interactive sensory technology, with children at the heart of the show's creation. *RED* ran for six weeks, 1,700 children and adults saw the show of which 25% were disabled or had access needs. 20% of bookers for *RED* have already returned to Polka's other shows. The project was supported by an Arts Council England project grant, without which the scale of the production would not have been possible.

The production had a transformative company-wide impact on learning about Access and BSL, and it set our intention that the new Polka be an inclusive and welcoming place for all, with innovative theatre at its heart. The success of *RED* helped cement our plans to expand our inclusive theatre creation in our strategy for the next four years and four months later we coproduced a BSL and caption integrated production with Derby Playhouse for family audiences, which gave opportunities for d/Deaf audiences to re-engage with our work. We have also increased our adapted performance programme – BSL interpreted, Audio Described and Relaxed shows.

'*RED* marks Polka out as a braver theatre than it used to be.' Andrej Lukowski, *Time Out*

'a beautifully crafted, challenging yet captivating production...Polka Theatre looks amazing' ****
Everything Theatre

'my deaf daughter loved the show and said it was the highlight of her half term. A show she can understand in her own language, thank you!' *Audience feedback*

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2022****YEAR IN REVIEW** (continued)**Productions, Touring and Professional Development** (continued)

Moving into the winter, after two years of delay due to Covid we were finally able to produce new musical *Cinderella: the awesome truth!* as our Main Theatre winter production. A coproduction with One Tenth Human and written/directed by Sarah Punshon, it was cocreated with Toni Dee, Felix Hagen provided music and lyrics, with design by Oliver Townsend.

'entertaining, empowering and awesome' *The Family Stage*

A contemporary new version of the traditional story, *Cinderella...* was developed via workshops with over 200 children. The show includes topics such as body shaming and its effects, managing appearance expectations and anxieties, the impact of social media on body image, and the value of friendships in promoting healthier body attitudes and improved self-esteem. Led by Professor Viren Swami of Anglia Ruskin University (ARU), a research study evaluated the responses of children aged 5-9 before and after attending performances of the show. Published in the journal *Body Image*, the research found that body appreciation scores for both boys and girls improved after watching the production. The number of responses covering what made them "unique" or "awesome" also increased post-attendance among both boys and girls. These improvements were achieved while maintaining near universal enjoyment of the show and delivering key learning outcomes, as assessed through the children's qualitative responses.

In the Adventure Theatre, *The Night Before Christmas* was a coproduction with Royal & Derngate, Northampton. Directed by Roman Stefanski, it was designed by Kate Bunce with music by Julian Butler. The show smashed box office targets and will transfer to Northampton next Christmas.

'a truly beautiful show filled with magic, laughter and delightful imagination' ****
Everything Theatre

Across the autumn/winter season, audience feedback from post-show surveys showed that 91.5% people think our artistic quality is good or excellent.

Mapping, the Culture Europe funded project to explore early years theatre practice that Polka is part of, alongside 17 other EU countries, continued following the previous year's hiatus. We produced *Ready, Steady, Go!* in the Adventure Theatre as our Mapping co-production in spring 2022, suitable for Early Years audiences. Following an eight week run in the Adventure Theatre (testing the flexible layout of the new space, playing in traverse), the show visited Festival Pépites in Belgium and BRIK Festival in the Netherlands during May/June 2022.

'both educational and entertaining' **** *West End Best Friend*

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2022****YEAR IN REVIEW** (continued)**Productions, Touring and Professional Development** (continued)

In the Main Theatre, *How to Hide a Lion* was revived and scaled-up from its previous run in the Adventure Theatre. Peter Glanville redirected, with Barb Jung's songs sounding wonderful in the space, and Laura McEwen's design expanded for the larger stage.

Alongside the seven in-house productions we created, we had three Visiting Companies in our Main Theatre: Little Angel Theatre's *The Singing Mermaid* and *The Gingerbread Man* by Stuff & Nonsense. Both did excellent business over the February half term period. We also welcomed Theatre Royal Bath's *Josephine* for a short run, which explored the life of 20th century performer and icon Josephine Baker. Overall we had just under 30,000 children and adults attend shows, across 316 performances.

PolkaLAB, our professional development programme for BAME and disabled artists addressing barriers to diversity in creating work for children, was also largely paused during the year, restarting in 2022. However, we agreed a new partnership with Unlimited to co-commission a new piece of work for children, to be produced in 2023. Disabled Artist Daryl Beeton continued as an Associate Artist and Matthew Crowfoot continued as freelance Access Consultant.

Staff contributed to debate and learning in the sector through involvement at various events, including Peter Glanville sitting on Unlimited's *Generation Creativity: Disability Arts for Children* panel in June 2021. We also delivered training in partnership with the British Council in Hong Kong to 13 cultural leaders from HK entitled 'Cultural Skills – Children's Theatre' – part of a programme of workshops alongside three other UK theatres.

Alongside the artistic programme we worked with Clownfish Productions to create a number of films celebrating the theatre's reopening, all BSL interpreted and Audio Described. These included an introduction to the new Polka and a film about our access provision. A documentary about the making of *RED* was distributed online to accompany the show, and was also screened at the *Catch the Wave* Assitej Denmark Festival in April 2022, as an example of best practice when creating work for d/Deaf Children. We had over 10,000 views of new content on our Youtube channel, with 46,000 views in total for all content.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2022****YEAR IN REVIEW** (continued)**Creative Learning: Participation, Schools & Community**

Despite our building being closed for half of the year, in total, 10,600 individual children took part in Creative Learning Activities across 17,269 experiences. We delivered 768 events and estimate 35% of live event participants were new to Polka. We also reached a further 4,500 via digital creative learning activities (both live-streamed and recorded), including mental health workshops and *Write Here Write Now* celebratory live-stream and recorded events. Our Community Working Group continued to meet quarterly, and a new Teacher's Advisory Group has helped augment our working group structure, ensuring we have access to advice and feedback from our beneficiaries and the wider community.

Community

It felt entirely appropriate that our *Freefalling* participants were the first to perform in our new building in August 2021. *Freefalling* is our long-running flagship funded programme, working with referred children who are in challenges circumstances at home or at school. Due to Covid-19 the majority of sessions leading up to the summer were digital, but we ran in-person sessions in the summer term and 14 members joined us for the summer school, presenting a devised piece on the Main Theatre stage called *Pulled Up*. They were the first performers on our Main Theatre stage since February 2019! Through successful fundraising we were also able to launch *Freefalling Seniors* during the year, working with children in the first two years of secondary school.

During our *100 Selfies* community project we worked with 10 community groups and around 100 children. Each group received two workshops plus a 100 Selfies craft box that included all sorts of materials for children to create a picture of themselves. A giant collage of their pictures was displayed in the café upon the venue reopening. *Re:Sound*, our intergenerational community choir run in partnership with Merton Music Foundation, relocated to Polka following the reopening. Although it took a break during the spring term, it has continued since then.

Putting children's voices at the heart of our work is a core organisational value. During the year we built on this by launching our *Younger Voices* group (4-6yrs) to complement our *Young Voices* (7-12 yrs) – these children are our sounding board for projects, reviewing shows and activities, and giving us feedback and ideas to improve our building, ensuring children's voices remain at the heart of our work. We also launched our *Polka Invites* community membership initiative to help build engagement with new audiences we connected with during closure, through projects such as *100 Selfies*. This funded 'members' programme aims to increase access to creative experiences for marginalised families in our community. We welcome new audiences, by offering free and subsidised creative opportunities for children and families who are referred to us, including free show tickets and café discounts. We have 296 *Polka Invites* participants (74 families) who have taken part in 741 experiences since September 2021.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2022****YEAR IN REVIEW** (continued)**Creative Learning: Participation, Schools & Community** (continued)

We dedicated Thursday mornings in our new Clore Learning Studio sensory suite to free community bookings, allowing us to strengthen existing and build new relationships with a number of community and SEND groups such as Merton SENDIS, Young Parents (Merton Children's Centres), Polish Families Association and Ukrainian refugee groups, Children's Centres, Blossom House (SEND school), isensory (Wandsworth community interest company), SEN Talk CIC (Wandsworth based community interest company that supports children with additional communication needs).

Schools

Write Here Write Now, our funded creative writing and literacy project that supports Year 3 children, also had a mix of weekly films and in-person drama workshops. Fifty children participated, writing stories together that a mix of children's writers, actors, presenters, and sports personalities filmed themselves reading. Every child's story was recorded and broadcast, either during a live-streamed event that we showed in July or via our social media channels. We had a number of brilliant celebrity story readers including David Walliams, Joe Lycett, Michael Rosen, Paapa Essiedu, Joanna Lumley, Jacqueline Wilson, Chris Riddell and Ade Adepitan. Next year successful fundraising means we can double the size of this programme. Teacher feedback has been excellent, with 100% of teachers rating the value of the sessions as Very High. The programme began its third year in spring 2022.

Our Curtain Up! Programme, providing free tickets to school groups who otherwise would not be able to attend, continued with 2,444 tickets distributed to 21 schools. We also continued with online resource development. We created nine Mental Health and Wellbeing films for teachers of Reception to Year 6, which were released for free in spring 2021. These have had over 1,500 views to date.

Participation

Upon reopening we extended our Participation programme substantially, with weekly workshops taking place at least five days per week, and additional school holiday programmes. We particularly grew our baby and Early Years offer through popular new sessions such as Hum, Jig and Jiggle, and Morning Story. The new Saturday Club has also proved extremely popular, with themes including arts & crafts, planting bulbs and celebrating Black History Month through storytelling.

"This is the best baby class I have ever been too, and this is my second child, so I have attended quite a few" (Parent feedback)

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2022****YEAR IN REVIEW** (continued)**Environmental Sustainability**

Taking our cues from Polka's *Young Voices* panel, we recognised the importance of putting sustainability at the heart of our redevelopment. Our new building has achieved a BREEAM (Building Research Establishment's Environmental Assessment Method) 'excellent' rating, putting our building in the UK's top 10% for environmental good practice. Flooring from one of our productions was recycled as wall panelling, while the wave baffles running along the ceiling of our 'Underwater Corridor' are made from recycled glass. Lighting throughout the building's refurbished spaces were switched from strip lighting to LEDs, which should result in a 60% reduction in lighting and maintenance costs. Sixteen solar PV panels were installed on the roof of the new building.

We have three bird boxes, three bat boxes, a log pile and two bug hotels in our outdoor spaces (including our newly developed wildlife-friendly garden) that will capture the imaginations of the visiting children and inspire them to consider ways they can introduce environmental sustainability into their home lives. Plants in our re-designed garden are tended by staff and local volunteers. In this way, we hope that Polka's commitment to environmental sustainability will ripple out to the wider community.

As a children's theatre, Polka is in a unique position to spark children's enthusiasm for their environment, and sustainability is regularly part of our theatre and creative workshops programming. *RED* explored themes of environmental destruction with recycled materials integrated into the aesthetic of the show. *Plastic Drastic Fantastic* in April 2022, a coproduction with Akademi, used Indian dance to highlight the benefits and dangers of plastic in our world.

We also worked with Crew Energy, who support not-for-profit organisations to improve the environmental impact of their venues, planning additional improvements to the theatre building beyond the scope of the main redevelopment. Funding from the London Community Energy Fund, Merton Council's Neighbourhood Fund and other private funders, enabled 30 additional solar PV panels to be installed on our main roof in summer 2022. We calculate this will cut our carbon emissions by over 4 tons in year one.

We plan to replace the remaining strip lighting in the old parts of the building not yet covered by the new building works. We have a travel strategy that promotes sustainable transport amongst staff and visitors, and local and sustainable procurement policy for the café. Our latest print brochure is certified 'Planet Positive', certified carbon neutral, and printed by an eco-accredited factory on a carbon neutral press.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2022****YEAR IN REVIEW** (continued)**Organisational Resilience**

Strongly controlled expenditure and robust fundraising, particularly through our public appeal, new events, campaigns and corporate support has increased our unrestricted income, helping to mitigate the higher risk activity of the capital project. The unforeseen impact of Covid-19 has undoubtedly put the company in a challenging position going into the reopening, but our performance this year has helped provide a stable footing to meet these challenges. Our fundraising strategy and delivery continue to bring new supporters to the theatre. The Government's Culture Recovery Fund was fundamental in providing stability during the pandemic.

We launched our new Volunteering programme in spring 2021, with over 100 volunteers now on our books. These volunteers primarily help in the Visitor Services team, ensuring the best possible welcome to Polka for our audiences and participants. Not only has this been important in providing additional people for the charity, but it has given great opportunities for local people to come together following the isolation of lockdowns, and has cemented Polka's position as a community hub.

As a 'See It Safely' venue we worked hard to keep audiences and participants safe during Covid-19, with enhanced cleaning, mask wearing and hand sanitiser stations. We also offered limited capacity performances for those who want to social distance, something that we will continue as part of our Accessible Performances offer. Our resilience was recognised when we were runners up in the category of 'In the Face of Adversity' category at the Merton Best Business Awards 2021.

Fundraising Policy

We raise a limited percentage of our revenue funds from members of the public. We are registered with the Fundraising Regulator and all fundraising conducted on behalf of Polka, whether by committees, volunteers or staff, must comply with the Code of Fundraising Practice, Polka's policies and all relevant legislation. No complaints were received in the year about fundraising practices.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2022****YEAR IN REVIEW** (continued)**Statement of Trustees' Responsibilities** (continued)

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of its surplus or deficit for that period. In doing so, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

POLKA CHILDREN'S THEATRE LIMITED

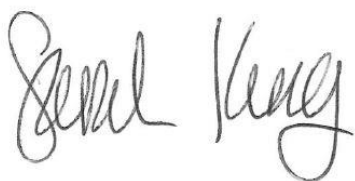
REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31st MARCH 2022

AUDITOR

A resolution will be proposed at the Annual General Meeting that Buzzacott LLP be re-appointed as auditor to the company for the ensuing year.

This report was approved by the Trustees on 16th November 2022

A handwritten signature in black ink, appearing to read "Gerald King". The signature is written in a cursive style with a large initial 'G' and 'K'.

Chair

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
POLKA CHILDREN'S THEATRE LIMITED

Independent auditor's report to the members of Polka Children's Theatre Limited

Opinion

We have audited the financial statements of Polka Children's Theatre (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, and statement of cash flows and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
POLKA CHILDREN'S THEATRE LIMITED

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, 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 trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
POLKA CHILDREN'S THEATRE LIMITED

Matters on which we are required to report by exception (continued)

- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
POLKA CHILDREN'S THEATRE LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the accounts are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011), Companies Act 2006 and those that relate to data protection (General Data Protection Regulation).

We assessed the susceptibility of the charitable company's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
POLKA CHILDREN'S THEATRE LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 30 November 2022

POLKA CHILDREN'S THEATRE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31st MARCH 2022

	Notes	Unrestricted Funds <i>General</i> £	Unrestricted Funds <i>Designated & Revaluation</i> £	Restricted Funds <i>Revenue grants</i> £	Restricted Funds <i>Capital project</i> £	Total 2022 £	Total 2021 £
INCOME FROM							
Grants and donations	5	940,237	-	499,904	987,591	2,427,732	2,829,202
Charitable activities	2	566,811	-	-	-	566,811	36,649
Investment income	4	98	-	-	-	98	3,980
Total Income		1,507,146	-	499,904	987,591	2,994,641	2,869,831
EXPENDITURE ON							
Raising funds	3	125,939	-	-	21,812	147,751	177,758
Charitable activities							
Operation of theatre and related activities	3	990,777	433,079	440,822	185,356	2,050,034	519,519
Building redevelopment project	3	-	-	-	83,499	83,499	226,962
Total Expenditure		1,116,716	433,079	440,822	290,667	2,281,284	924,239
Net Income/(Expenditure)		390,430	(433,079)	59,082	696,924	713,357	1,945,592
Transfers between funds	16	(209,368)	209,368	-	-	-	-
Net movement in funds		181,062	(223,711)	59,082	696,924	713,357	1,945,592
Balance at 1st April 2021		452,458	1,754,943	314,019	7,064,031	9,585,451	7,639,859
Balance at 31st March 2022		633,520	1,531,232	373,101	7,760,955	10,298,808	9,585,451

All income and expenditure is derived from continuing activities.

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

POLKA CHILDREN'S THEATRE LIMITED**BALANCE SHEET****AS AT 31st MARCH 2022**

	Notes	£	2022	£	£	2021	£
FIXED ASSETS							
Tangible Assets	9			9,240,583			8,223,352
CURRENT ASSETS							
Stock	10	4,885				-	
Debtors	11	118,893				159,152	
Cash at bank and in hand							
				<u>1,687,677</u>		<u>1,850,881</u>	
				1,811,455		2,010,033	
CREDITORS:							
Amounts falling due within one year	12			<u>(479,727)</u>		<u>(289,920)</u>	
NET CURRENT ASSETS							
				<u>1,331,728</u>		<u>1,720,113</u>	
Total assets less current liabilities							
				10,572,311		9,943,465	
CREDITORS:							
amounts falling due after more than one year	13			<u>(273,503)</u>		<u>(358,014)</u>	
				<u>10,298,808</u>		<u>9,585,451</u>	
THE FUNDS OF THE CHARITY							
Unrestricted							
General Fund	14			633,520		452,458	
Revaluation Reserve	15			1,062,913		1,081,302	
Designated Reserves	16			468,319		673,641	
Restricted							
Capital Project Fund	17			7,760,955		7,064,031	
Other Restricted Funds	17			<u>373,101</u>		<u>314,019</u>	
				<u>10,298,808</u>		<u>9,585,451</u>	

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard 102.

The financial statements were approved by the Board of Directors on 16th November 2022 and signed on their behalf by:



Sarah King, Chair

POLKA CHILDREN'S THEATRE LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31st MARCH 2022**

	2022	2021
	£	£
OPERATING ACTIVITIES		
Net income for the reporting period	713,357	1,945,592
Depreciation charge	232,512	50,011
Interest payable	9,449	4,610
Investment income	(98)	(3,980)
Decrease in debtors	40,259	84,789
Increase in creditors	159,408	74,708
Increase in stock	(4,885)	594
Net cash provided by / (used in) operating activities	<u>1,150,002</u>	<u>2,156,324</u>
INVESTING ACTIVITIES		
Purchase of assets	(1,249,744)	(3,724,951)
Investment income	98	3,980
Net cash (used in) investing activities	<u>(1,249,646)</u>	<u>(3,720,971)</u>
FINANCING ACTIVITIES		
Interest payable	(9,449)	(4,610)
Loan repayment	(29,125)	(29,201)
CBILS loan	(24,986)	250,000
Cash flows from financing activities	<u>(63,560)</u>	<u>216,189</u>
Change in cash and cash equivalents in the reporting period	(163,204)	(1,348,458)
Cash and cash equivalents at the beginning of the reporting period	<u>1,850,881</u>	<u>3,199,339</u>
Cash and cash equivalents at the end of the reporting period	<u>1,687,677</u>	<u>1,850,881</u>

Analysis of cash and cash equivalents:

	2022	2021
	£	£
Cash in hand	<u>1,687,677</u>	<u>1,850,881</u>
	<u>1,687,677</u>	<u>1,850,881</u>

POLKA CHILDREN'S THEATRE LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31st MARCH 2022****Reconciliation of changes in net debt:**

	2021 £	Cash Flows £	Other Non- cash movements £	2022 £
Cash and cash equivalents				
Cash at bank and in hand	1,850,881	(163,204)	-	1,687,677
	1,850,881	(163,204)	-	1,687,677
Borrowings				
Mortgage due within one year	(33,500)	38,574	(35,183)	(30,109)
Mortgage due after more than one year	(137,181)	-	28,737	(108,444)
CBILS loan	(250,000)	24,986	-	(225,014)
	(420,681)	63,560	(6,446)	(363,567)
Total cash and cash equivalents	1,430,200	(99,644)	(6,446)	1,324,110

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2022**

1. ACCOUNTING POLICIES**Accounting Convention**

The financial statements have been prepared in accordance with the Charities SORP (FRS102), with the Companies Act 2006, and with applicable Accounting Standards. They have been prepared under the historical cost convention and in accordance with FRS (102). The charity is a public entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Going concern

The Trustees have considered the requirement that the financial statements should be prepared on a going concern basis. They have discussed at length the effects of Covid-19, rising inflation and the Cost of Living crisis and the potential impact on the charity's operations in 2022-23 and beyond. They have concluded that it is appropriate that the financial statements be prepared on a going concern basis.

In making this assessment, the Trustees have considered whether there is a material uncertainty that the charity can continue as a going concern and how this should be presented in the financial statements. They have concluded that whilst the degree of uncertainty described in the Report of the Trustees warrants transparent disclosure, it does not constitute a material uncertainty related to going concern.

Risks continue to be managed through risk assessments and scenario planning as new external and internal factors arise. The 2022-23 budget includes contingency to support what will be a challenging winter period, and the 2023-24 forecast is based on break even planning with strong focus on growing individual giving. The charity has on-going support from its funders, with significant grants secured focused on supporting core operations. As at end August 2022 it has secured approximately 74% of its budgeted revenue target for voluntary income or donations in 2022-23.

Taking into account the above, as well as the charity's cost base and reserves position at 31st March 2022 and having looked at least 12 months from the date of signing these accounts, the Trustees have concluded that there are no material uncertainties about the charitable company's ability to continue as a going concern.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2022**

1. ACCOUNTING POLICIES (continued)**Building Redevelopment Project**

The Building Redevelopment Project costs included in note 3 comprises all expenditure relating to the redevelopment of the Theatre, which includes the costs of constructing the redeveloped theatre and related professional fees, as well as fundraising costs and any expenditure relating to the temporary closure of Polka Theatre.

The costs which are directly attributable to the construction of the redeveloped theatre have been capitalised in accordance with FRS 102 in the year and all other project costs are written off when they are expended.

Tangible Fixed Assets

Tangible fixed assets with an economic life of more than one year are capitalised if their cost exceeds £1,000.

The freehold and leasehold buildings were revalued at £1,575,000 in the 2014 year, with the uplift in value being credited to the revaluation reserve. This was undertaken as allowed under the transition to FRS 102 with the revalued amount being treated as deemed cost from this point. The additional depreciation charge that results from this uplift in valuation is set against the revaluation fund each year.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life. The annual rates used, which are applied on a straight line basis, are currently as follows:

Freehold buildings and long term leasehold	50 years
Plant and machinery	10 years
Building redevelopment project	
Core building	50 years
Plant and machinery	15 – 20 years
Fixtures and fittings	5 – 10 years
Theatre Equipment	3 – 15 years
IT Equipment	3 years

Costs in respect of the Building redevelopment project have been depreciated from September 2021, when the project was complete and the building was brought back into use.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2022**

1. ACCOUNTING POLICIES (continued)**Stocks**

Stock is valued at the lower of cost and net realisable value.

Income

Income represents monies received from grants and donations, from the productions staged in the theatre, or on tour, miscellaneous items effected through the theatre's ancillary operations and net fees receivable from productions after deducting percentages withheld by theatres. Income is deferred when admission fees are received in advance of the performances to which they relate.

Income from donations and grants is accounted for when the charity is entitled to the income, the receipt is probable and the amount can be estimated with reasonable certainty.

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

Income from charitable activities represents the total value of box office income, royalties from transfers and tours and other ancillary income received by the group from customers during the year, excluding value added tax.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The majority of costs are directly attributable to specific activities. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources and estimated amounts attributable to that activity in the year. The classification between activities is as follows:

Expenditure on raising funds includes all expenditure on fundraising events, corporate activities, bar expenses and an allocation of support costs.

Expenditure on charitable activities includes the production and administrative costs of the operation of the theatre and the production of plays, including depreciation on related assets.

Pre production costs are expended in the year they are incurred, tracked by production.

Allocation of support and governance costs

The majority of costs are directly attributable to specific activities. Office costs and property-related costs are apportioned by the ratio of expenditure in a particular expense category. Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2022**

1. ACCOUNTING POLICIES (continued)**Pensions**

All eligible and entitled workers for the company are able to participate in its registered auto-enrolment pension scheme operated by NOW Pensions. This scheme is open to any employee over 16 who has been with the company for at least 3 months and earns above the relevant earnings threshold. The company currently offers an employer's contribution of 1% of the employee's gross earnings.

Theatre Tax Relief

Theatre Tax Relief (TTR) is taken into account when the amount recoverable can be reasonably estimated and the receipt is probable.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight line basis over the period of the lease.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently valued at their settlement value.

The charity only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of financial activities.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2022****1. ACCOUNTING POLICIES (continued)**

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the charity would receive for the asset if it were to be sold at the reporting date.

Fund accounting

The reserves of the charity are as follows:

Restricted funds comprise monies set aside for particular projects or purposes in accordance with the instructions of the grantor.

Designated funds are monies set aside of unrestricted general funds and designated for specific purposes by the trustees.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the members of the management committee to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets; and
- apportionment of expenditure across each activity.

2. INCOME FROM CHARITABLE ACTIVITIES

	2022	2021
	£	£
Consultancy	2,000	-
Box Office	350,787	125
Creative Learning	68,904	7,206
Royalties, touring and co-production fees	18,048	-
Merchandising	12,058	-
Café	75,348	-
Lettings and hires	4,261	5,375
Theatre tax relief	35,405	23,943
	<u>566,811</u>	<u>36,649</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2022****3. EXPENDITURE**

	2022	2021
	£	£
Raising Funds		
Salaries and wages	99,861	78,102
Sponsorship and events	26,078	10,726
Capital project fundraising	21,812	88,930
	<u>147,751</u>	<u>177,758</u>
Charitable Activities		
<i>Operation of a theatre and related activities</i>		
Actors, production and Creative Learning costs	683,170	121,058
Box Office Administration costs	66,410	-
Café costs	72,235	-
Shop costs	6,070	-
Direct Costs	345,159	179,007
Project costs	22,580	17,040
Central and premises costs	249,473	29,046
Depreciation	232,513	50,011
Marketing	239,842	36,663
Governance costs (see below)	132,582	86,694
	<u>2,050,034</u>	<u>519,519</u>
<i>Building Redevelopment project</i>		
Total project costs for the year	1,355,055	4,028,729
Less Fundraising costs (see above)	(21,812)	(88,930)
Less Capitalised costs (see note 9)	<u>(1,249,744)</u>	<u>(3,712,837)</u>
	<u>83,499</u>	<u>226,962</u>
Governance costs		
Salaries and Wages	104,944	48,227
Audit and accountancy	14,722	12,580
Office costs	12,916	25,887
	<u>132,582</u>	<u>86,694</u>

The increase in Governance costs can be attributed to the shift of activity from capital to revenue, requiring less core staff time to be spend on capital as the project came to an end. These costs are comparable to prior to the capital redevelopment project.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2022**

4. INVESTMENT INCOME

	2022	2021
	£	£
Bank interest received	98	3,980
	<u>98</u>	<u>3,980</u>

5. GRANTS AND DONATIONS

Polka continues to be part of Arts Council England's National Portfolio Organisations – with a renewed funding agreement for 2018-23 confirmed. The London Borough of Merton continues to support the theatre although this revenue grant will begin to decrease to zero within 3 years from 2020.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2022****5. GRANTS AND DONATIONS** (continued)

We continued to build corporate support through sponsorship of events and corporate giving, and we continued to receive project and core support from a wide range of trusts and foundations.

	Unrestricted	Restricted	Total 2022
	£	£	£
Grants			
Arts Council England, London Revenue grant	570,219	-	570,219
Arts Council England, Core Uplift	10,492	-	10,492
Arts Council England, CRF2	-	199,743	199,743
London Borough of Merton Revenue grant	20,000	-	20,000
London Borough of Merton Covid grant	6,000	-	6,000
ACE RED Project grant	-	67,891	67,891
DWP RED Project grant	-	4,555	4,555
HMRC Kickstart programme	45,569	-	45,569
Subsidy Income	652,280	272,189	924,469
Sponsorship and Donations			
CAPITAL			
Arts Council England	-	366,941	366,941
Greater London Authority	-	10,000	10,000
Capital Trusts and Foundations:			
The Charles Skey Charitable Trust	-	200,000	200,000
The Greenslade Family Foundation	-	80,000	80,000
The London Marathon Charitable Trust Ltd	-	85,000	85,000
Clore Duffield Foundation	-	75,000	75,000
Cockayne – Grant for the Arts	-	50,000	50,000
Christina Smith Foundation	-	50,000	50,000
The Taylor Family Foundation	-	20,000	20,000
Viridor/Beddington Community Benefit Fund	-	5,000	5,000
Grange Farm Centre Trust	-	2,000	2,000
Metropolitan Public Gardens Association	-	600	600
The Culra Charitable Trust	-	500	500
Other:			
Capital Corporate	-	5,000	5,000
Individual Giving	-	37,550	37,550
Sub-total	-	987,591	987,591

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2022****5. GRANTS AND DONATIONS (CONTINUED)**

	Unrestricted	Restricted	Total 2022
	£	£	£
REVENUE			
Corporate donations	4,172	5,460	9,632
Events	2,229	41,047	43,276
Individuals	59,428	-	59,428
Legacy	209,378	-	209,378
The Calleva Foundation	-	29,210	29,210
Vision Foundation	-	7,650	7,650
The Ovingdean Hall Foundation	-	4,000	4,000
John Horniman's Children's Trust	-	3,000	3,000
The Bruce Wake Charity	-	2,500	2,500
The Lucille Graham Trust	-	1,000	1,000
Music for All	-	2,000	2,000
The Vernon N Ely Charitable Settlement	10,000	-	12,750
Boshier Hinton Foundation	1,000	-	1,000
The Andor Charitable Trust	1,000	-	1,000
The TK Maxx and Homesense Foundation	500	-	500
Earl of Mornington Lodge Benevolent Fund	250	-	250
The Charles Skey Charitable Trust	-	10,000	10,000
Clore Duffield Foundation	-	7,500	7,500
The Peter Stebbings Memorial Charity	-	3,500	3,500
The Wyn and Ken Lo Memorial Foundation	-	1,000	1,000
Little Lives UK	-	1,500	1,500
The Eleanor Rathbone Charitable Trust	-	3,000	3,000
Clarion Futures	-	5,375	5,375
William Howarth Charitable Trust	-	430	430
St James's Place Charitable Foundation	-	10,000	10,000
Icon Solutions	-	12,000	12,000
The National Lottery Heritage Fund	-	4,409	4,409
D'Oyle Carte Charitable Trust	-	4,000	4,000
The Peter and Teresa Harris Charitable Trust	-	3,000	3,000
Alf and Hilda Leivers Charity Trust	-	2,500	2,500
The John Thaw Foundation	-	1,000	1,000
Unity Theatre Trust	-	800	800
Teale Charitable Trust	-	500	500
L&Q Foundation	-	6,500	6,500
The John Horseman Trust	-	5,000	5,000
J P Foundation	-	5,500	5,500
Frazer Trust	-	2,000	2,000
The Sydney Black Charitable Trust	-	500	500
The Rowan Bentall Charitable Trust	-	250	250
BBC Children in Need	-	10,000	10,000
Others	-	31,584	31,584
Sub-total	287,957	227,715	515,672
Total Sponsorship and donations	287,957	1,212,633	1,503,262
Total	940,237	1,487,495	2,427,732

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2022****5. GRANTS AND DONATIONS (CONTINUED)**

	Unrestricted	Restricted	Total 2021
	£	£	£
Grants			
Arts Council England, London Revenue grant	580,711	-	580,711
London Borough of Merton Revenue grant	30,000	-	30,000
Coronavirus Job Retention Scheme grant	53,562	-	53,562
Subsidy Income	<u>664,273</u>	-	<u>664,273</u>
Sponsorship and Donations			
CAPITAL			
Arts Council England	-	712,765	712,765
Greater London Authority	-	159,632	159,632
London Borough of Merton Neighbourhood Fund	-	150,000	150,000
Chan Yin Cheun Memorial Charitable Foundation	-	300,000	300,000
Christina Smith Foundation	-	50,000	50,000
The Charles Skey Charitable Trust	-	50,000	50,000
The True Colours Trust	-	40,000	40,000
Linbury Trust	-	30,000	30,000
Foyle Foundation	-	25,000	25,000
The Hugo Halkes Charitable Trust	-	20,000	20,000
The Clothworkers' Foundation	-	20,000	20,000
The Bernard Sunley Charitable Foundation	-	20,000	20,000
The Kirby Laing Foundation	-	10,000	10,000
The BP Foundation	-	3,000	3,000
Alf and Hilda Leivers Charity Trust	-	2,500	2,500
Wimbledon District Nursing & Midwifery			
Benevolent Society	-	2,180	2,180
Other Capital Project #	-	86,007	86,007
Sub-total	<u>-</u>	<u>1,681,084</u>	<u>1,681,084</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2022****5. GRANTS AND DONATIONS (CONTINUED)**

	Unrestricted	Restricted	Total 2021
	£	£	£
REVENUE			
The Wolfson Foundation	120,000	-	120,000
The Clore Duffield Foundation	-	20,000	20,000
The Charles Skey Charitable Trust	-	10,000	10,000
Clarion Housing Association	-	10,000	10,000
Icon Solutions	-	8,000	8,000
The Ashley Family Foundation	-	5,000	5,000
The D'Oyly Carte Charitable Trust	-	5,000	5,000
MFS Financial Services	-	5,000	5,000
HPD Lendscape	-	5,000	5,000
The Sobell Foundation	-	5,000	5,000
Wimbledon Offices	-	5,000	5,000
The John Horseman Trust	-	5,000	5,000
The Weinstock Fund	-	5,000	5,000
The Harold Hyam Wingate Foundation	-	5,000	5,000
L & Q Foundation Place Makers Fund	-	4,683	4,683
The Childhood Trust	4,000	-	4,000
The Calleva Foundation	3,000	-	3,000
The Eleanor Rathbone Charitable Trust	-	3,000	3,000
Co-Op Community Fund		4,212	4,212
The Vernon N Ely Charitable Trust	4,000	-	4,000
Starkie Bence Charitable Trust	2,000	-	2,000
Other donations	232,802	13,148	245,950
Sub-total	365,802	118,043	483,845
Total Sponsorship and donations	365,802	1,799,127	2,164,929
Total	1,030,075	1,799,127	2,829,202

Other Capital Project donations include amounts received from donors who wish to remain anonymous.

Many regular donors have switched their contributions to the Capital Project.

6. NET INCOME/EXPENDITURE

	2022	2021
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	232,513	50,011
Auditors' remuneration	14,722	12,580
	<u>247,235</u>	<u>62,591</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2022****7. STAFF COSTS**

	2022	2021
	£	£
Wages and Salaries	720,007	421,287
Pension contributions	15,639	11,429
Social security costs	60,481	39,232
Restructuring costs	-	9,300
	<u>796,127</u>	<u>481,248</u>

No employee earned more than £60,000 per annum (2021 - none).

No members of the Board of Directors received any remuneration during the year for executive services. The Board members were not paid or reimbursed for expenses during the year.

The cost of employment of Key Management Personnel amounted to £114,734 (2021: £111,633). Key Management Personnel comprise the Joint Chief Executives.

	2022	2021
	No.	No.
Average number of employees during the year		
Senior Management Personnel	2	2
Directors and performers	4	-
Sales, administration and others	<u>22</u>	<u>11</u>
	<u>28</u>	<u>13</u>

8. INTEREST PAYABLE

	2022	2021
	£	£
Mortgage loan interest	6,446	4,610
CBILS loan interest	<u>3,003</u>	<u>-</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2022****9. TANGIBLE FIXED ASSETS**

	Freehold land and buildings	Short leasehold land and buildings	Leasehold Improve- ments	Building Redeve- lopment Project	Plant and Machinery	Total
	£	£			£	£
Cost						
At 1 April 2021	1,050,000	950,000	19,113	6,415,622	183,089	8,617,824
Additions	-	-	-	1,249,744	-	1,249,744
At 31 March 2022	<u>1,050,000</u>	<u>950,000</u>	<u>19,113</u>	<u>7,665,366</u>	<u>183,089</u>	<u>9,867,568</u>
Depreciation						
At 1 April 2021	87,500	133,000	1,198	-	172,774	394,472
Charge for the year	17,458	19,000	382	185,358	10,315	232,513
At 31 March 2022	<u>104,958</u>	<u>152,000</u>	<u>1,580</u>	<u>185,358</u>	<u>183,089</u>	<u>626,985</u>
Net book value						
At 31 March 2022	<u>945,042</u>	<u>798,000</u>	<u>17,533</u>	<u>7,480,008</u>	<u>-</u>	<u>9,240,583</u>
At 31 March 2021	<u>962,500</u>	<u>817,000</u>	<u>17,915</u>	<u>6,415,622</u>	<u>10,315</u>	<u>8,223,352</u>

10. STOCKS

	2022	2021
	£	£
Books	1,010	-
Café	1,394	-
Shop	2,481	-
	<u>4,885</u>	<u>-</u>

11. DEBTORS

	2022	2021
	£	£
Trade receivable	23,845	1,810
Prepayments and accrued income	92,481	115,465
Other Debtors	2,567	41,877
	<u>118,863</u>	<u>159,152</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Mortgage loan (secured)	33,111	33,500
Other taxes and social security costs	6,122	2,048
Other creditors	380,539	225,205
CBILS loan	59,955	29,167
	<u>479,727</u>	<u>289,920</u>

As part of Polka's mitigation of risk during Covid-19, a £250,000 CBILS loan was taken out with Barclays. The period of the loan is 6 years (72 months) from 21st September 2020. The terms of the loan include 2.99% floating rate interest and a capital repayment holiday for the first 12 months. Since the year end, 100% of the loan has been repaid.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2022****13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	2022	2021
	£	£
Mortgage loan (secured)	108,444	137,181
CBILS loan	165,059	220,833
	<u>273,503</u>	<u>358,014</u>
Repayable between one and five years	273,503	337,179
Repayable in five years or more	-	20,835
	<u>273,503</u>	<u>358,014</u>

14. GENERAL FUND

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
Unrestricted funds	452,458	1,507,146	(1,116,716)	(209,368)	633,520
	<u>452,458</u>	<u>1,507,146</u>	<u>(1,116,716)</u>	<u>(209,368)</u>	<u>633,520</u>
	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
Unrestricted funds	377,963	1,070,704	(519,950)	(476,259)	452,458
	<u>377,963</u>	<u>1,070,704</u>	<u>(519,950)</u>	<u>(476,259)</u>	<u>452,458</u>

15. REVALUATION RESERVE

The freehold and leasehold buildings were revalued at £1,575,000 in the 2014 year, with the uplift in value being credited to the revaluation reserve. This was undertaken as allowed under the transition to FRS102 with the revalued amount being treated as deemed cost from this point. The additional depreciation charge that results from this uplift in valuation is set against this fund each year.

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
Revaluation reserve	1,081,302	-	(18,389)	-	1,062,913
	<u>1,081,302</u>	<u>-</u>	<u>(18,389)</u>	<u>-</u>	<u>1,062,913</u>
	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
Revaluation reserve	1,099,691	-	(18,389)	-	1,081,302
	<u>1,099,691</u>	<u>-</u>	<u>(18,389)</u>	<u>-</u>	<u>1,081,302</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2022****16. DESIGNATED RESERVES**

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
Equipment	27,382	-	(3,423)	-	23,959
Capital project	234,992	-	-	-	234,992
ACE fund	120,000	-	(120,000)	-	-
Re-opening fund	291,267	-	(291,267)	-	-
Anne Ross Legacy fund	-	-	-	209,368	209,368
	<u>673,641</u>	<u>-</u>	<u>(414,690)</u>	<u>209,368</u>	<u>468,319</u>

The ACE Fund represented donated amounts carried forward with the agreement of ACE to fund expenditure in 2021/22. The re-opening fund consisted of unrestricted funding identified by the Trustees to be utilised for the re-opening period in 2021/22.

The Anne Ross Legacy fund was created following receipt of a one-off legacy, and will be used to support creation of productions during the period 2022-24.

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
Equipment	30,805	-	(3,423)	-	27,382
Capital project	50,000	-	-	184,992	234,992
ACE fund	120,000	-	-	-	120,000
Re-opening fund	-	-	-	291,267	291,267
	<u>200,805</u>	<u>-</u>	<u>(3,423)</u>	<u>476,259</u>	<u>673,641</u>

17. RESTRICTED FUNDS

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
CAPITAL PROJECT FUND					
Theatre Redevelopment Fund	7,064,031	987,591	(290,668)	-	7,760,955
	<u>7,064,031</u>	<u>987,591</u>	<u>(290,668)</u>	<u>-</u>	<u>7,760,955</u>
This comprises:					
Capitalised costs	6,415,622	-	(185,357)	1,249,743	7,480,008
Unspent funds	648,409	987,591	(105,310)	(1,249,743)	280,947
	<u>7,064,031</u>	<u>987,591</u>	<u>(290,668)</u>	<u>-</u>	<u>7,760,955</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2022****17. RESTRICTED FUNDS (CONTINUED)**

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
OTHER RESTRICTED FUNDS					
Original Theatre Fund	251,736	-	(8,975)	-	242,761
Write Here, Write Now	29,283	25,750	(35,283)	-	19,750
Freefalling	20,500	60,307	(32,877)	-	46,930
Polka40 Resound	2,500	4,409	(6,909)	-	-
Access	-	52,196	(12,036)	-	40,160
RED	5,000	72,446	(77,446)	-	-
Curtain Up	5,000	17,796	(18,796)	-	4,000
Choir	-	10,750	(1,250)	-	9,500
Maanika and the Wolf	-	5,460	(5,460)	-	-
Big Bash	-	41,047	(41,047)	-	-
Culture Recovery fund	-	199,743	(199,743)	-	-
Take Your Seats	-	10,000	-	-	10,000
	<u>314,019</u>	<u>499,904</u>	<u>(440,822)</u>	<u>-</u>	<u>373,101</u>
TOTAL	<u>7,378,050</u>	<u>1,487,495</u>	<u>(731,489)</u>	<u>-</u>	<u>8,134,056</u>

Theatre Redevelopment Fund For use during the Future Polka redevelopment project, begun in 2019 and completed in 2021/22.

Original Theatre Fund Relating to the original building project to create the theatre in 1979.

Vehicle Fund For use against the depreciating cost of the Polka van.

Restricted project funds:

Write Here Write Now Restricted funds that are for specific projects delivered by the Creative Learning and Producing departments, to which restricted funds received in advance of the activities taking place are assigned. These funds change annually according to the theatre's project programming, and may be one-off short-term or ongoing annual projects.

Freefalling

Polka40 Resound

PolkaLAB

Access

RED

Curtain Up!

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2022****17. RESTRICTED FUNDS (CONTINUED)**

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
CAPITAL PROJECT FUND					
Theatre Redevelopment Fund	5,698,839	1,681,084	(315,892)	-	7,064,031
	5,698,839	1,681,084	(315,892)	-	7,064,031
This comprises:					
Capitalised costs	2,702,785	-	-	3,712,837	6,415,622
Unspent funds	2,996,054	1,681,084	(315,892)	(3,712,837)	648,409
	5,698,839	1,681,084	(315,892)	-	7,064,031
OTHER RESTRICTED FUNDS					
Original Theatre Fund	260,711	-	(8,975)	-	251,736
Vehicle Fund	1,850	-	(1,850)	-	-
Write Here, Write Now	-	31,783	(2,500)	-	29,283
Freefalling	-	52,382	(31,882)	-	20,500
Polka 40 Resound	-	20,378	(17,878)	-	2,500
PolkaLab	-	2,500	(2,500)	-	-
Access	-	1,000	(1,000)	-	-
RED	-	5,000	-	-	5,000
Curtain Up	-	5,000	-	-	5,000
	262,561	118,043	(66,585)	-	314,019
TOTAL	5,961,400	1,799,127	(382,477)	-	7,378,050

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2022	Fixed Assets £	Net Current Assets £	Creditors > 1 year £	Total £
Unrestricted Funds				
General Fund	300,602	606,420	(273,503)	633,519
Revaluation Reserve	1,062,913	-	-	1,062,913
Designated Funds	23,959	444,360	-	468,319
Restricted Funds				
Capital Project Fund	7,480,008	280,947	-	7,760,955
Other Restricted Funds	373,101	-	-	373,101
	9,240,583	1,331,727	(273,503)	10,298,807

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2022****18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)**

2021	Fixed Assets	Net Current Assets	Creditors > 1 year	Total
	£	£	£	£
Unrestricted Funds				
General Fund	385,027	425,445	(358,014)	452,458
Revaluation Reserve	1,081,302	-	-	1,081,302
Designated Funds	27,382	646,259	-	673,641
Restricted Funds				
Capital Project Fund	6,415,622	648,409	-	7,064,031
Other Restricted Funds	314,019	-	-	314,019
	<u>8,223,352</u>	<u>1,720,113</u>	<u>(358,014)</u>	<u>9,585,451</u>

19. FINANCIAL COMMITMENTS

At the year end, the charity had future minimum lease payments under operating leases as follows:

	2022	2021
	£	£
Land & Buildings		
Due in less than 1 year	4,219	44,000
Due in between 2 and 5 years	-	4,219
	<u>4,219</u>	<u>48,219</u>

20. LEGAL STATUS

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

21. TAXATION

The company is a registered charity and no taxation liabilities arise from its charitable activities.

22. RELATED PARTIES

There were no related party transactions within the year.

Trustees made donations in the year totalling £2,272 (2021 - £125,515). Trustees pay the normal admission charge when they attend performances and other events.

Income received from connected entities in relation to school workshops totalled £491 (2021: £nil).

Following her resignation as a Trustee on 4 December 2020, Katy Manuel was employed by the charity as a Marketing Consultant. The appointment was approved by the Board of Trustees and the Charity Commission.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2022****23. COMPARATIVE FIGURES FOR THE STATEMENT OF FINANCIAL ACTIVITIES AS REQUIRED BY FRS 102**

	Notes	Unrestricted Funds <i>General</i> £	Unrestricted Funds <i>Designated & Revaluation</i> £	Restricted Funds <i>Revenue grants</i> £	Restricted Funds <i>Capital project</i> £	Total 2021 £
INCOME FROM						
Grants and donations	5	1,030,075	-	118,043	1,681,084	2,829,202
Charitable activities	2	36,649	-	-	-	36,649
Investment income	4	3,980	-	-	-	3,980
Total Income		1,070,704	-	118,043	1,681,084	2,869,831
EXPENDITURE ON						
Raising funds	3	88,828	-	-	88,930	177,758
Charitable activities						
Operation of theatre and related activities	3	431,122	21,812	66,585	-	519,519
Building redevelopment project	3	-	-	-	226,962	226,962
Total Expenditure		519,950	21,812	66,585	315,892	924,239
Net Income/(Expenditure)		550,754	(21,812)	51,458	1,365,192	1,945,592
Transfers between funds	16	(476,259)	476,259	-	-	-
Net movement in funds		74,495	454,447	51,458	1,365,192	1,945,592
Balance at 1st April 2020		377,963	1,300,496	262,561	5,698,839	7,639,859
Balance at 31st March 2021		452,458	1,754,943	314,019	7,064,031	9,585,451

POLKA CHILDREN'S THEATRE LIMITED

England & Wales - Charity number 256979

Accounts



POLKA CHILDREN'S THEATRE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2021

Registered Charity Number 256979

Registered Company Number 00938592

POLKA CHILDREN'S THEATRE LIMITED

Annual Report and Financial Statements for the year ended 31st March 2021

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POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021**

The trustees are pleased to present their report together with the financial statements of the charitable company for the year ended 31st March 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number:	256979
Company Number:	00938592
Company Secretary	Lynette Alston
Principal Office:	240 The Broadway, Wimbledon, London SW19 1SB
Auditor	Buzzacott LLP, 130 Wood Street, London, EC2V 6DL
Bankers	Barclays Bank plc, 8 Alexandra Road, Wimbledon, London SW19 7JZ

Directors and Trustees

The directors of the charitable company (the company) are its trustees for the purpose of charity law. Throughout this report they are collectively referred to as the trustees.

The following served as trustees during the year and up to the date of signing this report, except where shown:

Chair:	Sarah King
Deputy Chair:	Vivienne Creevey
Treasurer:	Nigel Halkes
	Michael Bradley
	Mairi Brewis
	Bilal Hafeez
	Alison Harpur (appointed 13 May 2020)
	Rebecca Holt
	Katy Manuel (retired 4 December 2020)
	Dr Gerard Silverlock
	Nicola Theron
	Emily Vaughan-Barratt

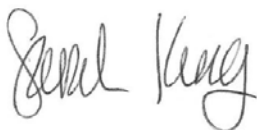
POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****A VIEW FROM THE CHAIR**

The past year could almost have been a plot line for one of Polka's productions, an extraordinary tale of unexpected challenges overcome through sheer determination and inventiveness plus a lot of help from our friends! A well-managed organisation should be able to emerge stronger from any crisis and we have certainly done that. I know the Board join me in expressing our profound thanks to all involved, especially the management team and Arts Council England but I also wish to convey our very real pride in Polka's transformation and the organisation it is becoming.

It is hard to appreciate but when the doors of Polka closed for the rebuilding project in February 2019, even allowing for contingencies, we envisaged reopening by Summer 2020. We have reopened more than a year later, in August 2021. No one could have foreseen how long the pandemic would last and having already been closed for more than a year when lockdowns began, as month followed month, it became clear the reserves carefully built up for the closure period were desperately needed. That we are now looking forward to reopening in such good shape is down to prudent management, the ingenuity of the team and the extraordinary support of our funders who took the time to understand the particular situation we were facing and to help meet our needs and the needs of our audiences.

With the team scaled right back everyone has worked extraordinarily hard to meet the challenges of the extended closure period. Although in-person activities had to be cancelled, with a lot of inventiveness and cardboard, Polka Online was born. All our workshops, storytelling and community support was redesigned to work digitally and the response was amazing, reaching as far afield as France and Hong Kong. Given the importance of the work, especially for children facing challenging situations at home or with special needs, we also ensured that access to technology was never a barrier to children taking part.

With the closure, we also took the opportunity to review our mission, our offer, our business model, our policies, our governance framework ... in fact, like the building itself, no stone was left unturned – every aspect was considered. The result is a totally revitalised force for children's theatre and creative learning, ready to reconfirm its place in the ecology of Britain's arts sector.



Sarah King,

Chair, Board of Trustees

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****STRUCTURE, GOVERNANCE AND MANAGEMENT****Governing Document**

Polka Children's Theatre Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 10th September 1968 and amended to allow for current governance arrangements on 16th October 1987, 14th October 1993 and 8th February 2012. It is registered as a charity with the Charity Commission.

Appointment of Trustees

As set out in the Articles of Association, the Trustees have the power at any time to appoint any person to be a member of the Board, to fill a casual vacancy or as an additional member of the Board. Any person so appointed holds office only until the next Annual General Meeting and is then eligible for re-election. At each Annual General Meeting, one-third of the members of the Board retire from office.

Trustee Induction and Training

New Trustees receive briefings on the history of the company, their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Board and decision-making processes, the company plan and recent financial performance of the company.

Organisation

The Board of Trustees determines the long-term objectives of the company. It meets quarterly and detailed oversight is further assured through a structure of Board Working Groups covering finance, development, operations, artistic and creative learning programming, and marketing and commercial activities. The Board appoints executive officers, not being members of the Board, to discharge the artistic, administrative and other duties necessary for the proper functioning of the company.

The remuneration of the Executive Officers is recommended to the Board of Trustees by the Finance Working Group with reference to comparable salary levels within the subsidised theatre sector.

Executive Officers: Peter Glanville, Joint Chief Executive and Artistic Director
 Lynette Alston, Joint Chief Executive and Company Secretary

The Executive Officers represent Key Management Personnel and their cost of employment for the year totalled £111,633.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****Public Benefit**

In shaping Polka's objectives for the year and planning our activities, the Trustees considered the Charity Commission's guidance on public benefit and fee charging. The Theatre relies on grants and the income from sales, fees and charges to cover its operating costs. In setting the charity's programme of work and the level of fees, charges and concessions, the Trustees gave particular consideration to the accessibility of the theatre for those on low incomes and those with least opportunity to participate in cultural activities.

Objectives and Activities

The charitable objects of the company are to promote, maintain, improve and advance education, particularly by the production of plays for children and the encouragement of the arts, including the arts of drama, mime, puppetry, dance, singing and music.

The overarching mission of the organisation is *to empower children to navigate their world through inspirational theatre and creative experiences*. Polka wants to give as many children as possible, from all backgrounds, the opportunity to experience thrilling, innovative, world-class theatre, and creative learning opportunities, in a welcoming space that they can call their own.

Strategic Objectives

- To produce an inspiring, diverse and inclusive programme of world-class theatre and creative learning opportunities for children aged 0-12
- To provide a welcoming and inclusive space dedicated to the playful inspiration of children, where families, schools and communities come together
- To give as many children as possible, from all backgrounds, the opportunity to access the enriching theatre experiences we provide
- To support children's learning and personal development
- To be a locally, nationally and internationally valued organisation
- To drive pioneering practice within children's theatre
- To be a financially and environmentally sustainable and responsible organisation
- To provide a respectful and supportive environment for staff and volunteers to achieve their best for the benefit of our beneficiaries.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****Our Values**

- Child-centred - placing children at the heart of everything Polka does
- Community - engaging our diverse communities of children, families, educationalists and artists
- Excellent - pioneering, adventurous, offering the highest quality
- Memorable - creating magical, meaningful experiences
- Inclusive - welcoming, accessible, nurturing, supportive, representative.

Overview

In February 2019 the Theatre closed for the first radical redevelopment of the premises since Polka first opened its doors in 1979. The redevelopment aims to provide new and improved accessibility and community play spaces, better facilities for artists and staff, and greater opportunities for earned income generation through an enlarged shop and café and more attractive spaces for hire. However, the Covid-19 pandemic has had a significant impact on the redevelopment, prolonging the closure period and increasing costs. The Theatre began to reopen to the public in late summer 2021.

Like many theatre venues and companies, the forced closure of live events during much of the year created new opportunities to develop an online presence and range of digitally based activities. From a standing start, over the course of the year, we reached over 16,000 children and adults through online creative activities – live workshops, recorded storytelling, hybrid live and recorded schools' programmes, and made-for-digital theatre and audio performances. Alongside this, in response to demand, we delivered live work wherever possible and safe, including launching our schools Mental Health & Wellbeing Workshops, which has evolved into a series of free digital workshops and resources for primary level teachers and schools across the UK and beyond. Given the impact, the innovative and responsive nature of this work is something we intend to maintain in the coming years.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****Overview (continued)**

With the Theatre already closed and staffing reduced to a minimum, it is hard to overstate the adjustment the year has demanded from our team. Our temporary office at New Wimbledon Theatre was not accessible, so equipment was put into storage and staff moved to home working. Supporting the team to navigate this massive change, both operationally and emotionally, proved a significant challenge to the organisation as we learnt how to contribute remotely effectively. Membership of the ChangeCreation programme 2019-21 was maintained which provided our Joint CEOs with support to help navigate the challenges of the pandemic, and we turned to our communities through our Board working groups to help understand what was happening for our different stakeholders, and importantly what they needed from us. Meeting challenge through innovation, we ended the year having worked with over 22,000 children and adults making sure Polka was doing its bit to support the creativity and wellbeing of children.

Finance

Polka has continued with a reduced core staff team, supplemented by fixed-term and freelance workers and volunteers as required. From April to November 2020, we made use of the government's Coronavirus Job Retention Scheme, with over half the PAYE team on full or flexi furlough. This has enabled us to sustain the company through a high-risk period, retaining all staff, whilst still delivering our charitable aims and projects. In addition, we took out a CBILS loan in September 2020, details of which are given in Note 12 to the accounts.

Revenue

Polka operates a mixed funding model, with both earned and funded sources vital to enable the company to operate effectively. With the theatre closed, there was no Box Office income, but unlike the previous year the pandemic also curtailed income from touring and Creative Learning activity including our schools programmes. Some income was earned through digital delivery of workshops, but the proliferation of free offers from other companies and the significant investment required to deliver quality digital-born creative work meant digital income was limited. Alongside strong control of costs, support from funders, both public and private, has proved fundamental in sustaining the core function of the organisation and enabling our Creative Learning work to transfer online, with only 4% of our income coming from earned sources during the year (8% in YE 2020).

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****Finance (continued)***Revenue (continued)*

Support from Arts Council England and Merton Council continued to be vital, accounting for 64% of our income (66% in YE 2020, 34% YE 2019 pre closure). We continued as an Arts Council England National Portfolio Organisation for the period 2018-22. Looking ahead, delivering quality work at a time of declining public funding remains an on-going challenge, but Polka is well placed to respond to the priorities of public funders in such areas as creative education for children, health and wellbeing, community engagement and community cohesion, representation and diversity. These priorities will become ever more pressing over the next few years as we adjust to the long-term impact of the pandemic.

Capital

Generous support for Polka's capital project has come from a wide range of sources, from local to national level, individual to public. Fundraising has continued throughout the project, with the pandemic adding over £800K to its delivery costs. The widespread engagement with the capital redevelopment presents significant opportunities to develop new individual giving and corporate support, which will be taken forward into longer-term revenue fundraising streams. Details of our capital funders is given in Note 5 to the accounts.

Covid-19 Impact

The impact of Covid-19 has continued to have a significant impact throughout the year:

- *Capital project cost increase:* the prolongation of the project has resulted in an uplift of costs, currently estimated at £800K
- *Capital project delay:* completion had to be postponed from Autumn 2020 to Summer 2021, resulting in the loss of our lucrative opening Winter 2020 season and related earned income (estimated impact of £600K+) and delay in recruiting a full staff team
- *Cancellation of activities:* PolkaLAB, production development activities, fundraising events (revenue and capital), income generating projects (After School Clubs, public participation activities, Summer 2020 run of *The Paper Dolls* at New Wimbledon Theatre Studio) have all had to be cancelled, resulting in lost income, abort costs and delays to new project development

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****Covid-19 Impact (continued)**

- *Impact on fundraising:* live event plans, the mainstay of the final capital campaign fundraising, had to be cancelled and alternatives found such as an online quiz; much of the revenue funding raised during the year was ring fenced for reopening activities which have now been carried forward to the following year
- *Government policy regarding live theatre:* the lack of certainty around the regulation of live theatre performances and especially social distancing, added considerable pressure to the planning process and is likely to continue throughout 2022/23, when it likely will have a profound impact on box office income
- *Working patterns:* the need for staff to continue to work from home, with in-person away days when safe to do so, has meant investment in IT provision and new ways of working. A hybrid work pattern is anticipated by most charities, but the longer-term impact to staff development and employment costs has yet to be fully established.

Risk Management

The Board of Trustees has a risk management strategy which comprises:

- A regular review of the risks that the company may face
- The establishment of systems and procedures to mitigate those risks
- The implementation of procedures designed to minimise any potential impact on the company should those risks materialise.

A risk register is reviewed at each quarterly Board meeting.

The principal risks and mitigations identified at 31st March 2021 were:

- Impact of Covid-19/ lockdown and the workload arising from the capital project on mental health– additional project management, marketing, HR, fundraising and volunteer support is being utilised, with outsourced consultancy used to drive forward projects; an Employee Assistance Programme and mental health resources, alongside social activities, have helped support staff.
- Capital project risks including rising costs – the Capital Steering Group has led rigorous interrogation and ongoing monitoring of all projected and actual costs; all opportunities for project efficiencies and capital fundraising have been utilised, wherever possible.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****Risk Management (continued)**

- Failing to meet revenue fundraising targets - these have been moderated during the closure period to ensure achievability, and quarterly reports are received by the Board; a CBILS loan with Barclays has been arranged to support working capital.
- Impact of Covid-19 on the delivery of the capital project in the short term, reduced capacity of live events and subsequent financial viability of the reopening programme in the long term – Polka has worked hard to retain its visibility and brand during the pandemic and closure with new projects announced for 2021/22; we are planning all activities with as much flexibility as possible, controlling fixed overheads and continuing good funder relationships.

Attention has also been given to non-financial risks arising from health and safety of staff and child protection. These risks are managed by having robust policies and procedures in place, regular training for staff working in these operational areas and monitoring by a staff safety team and the Board. Polka's Working Group structure enables a wider range of stakeholders to input to and influence decision making within the organisation, focusing on key areas including Artistic, Operations, Sales & Marketing, Finance & Fundraising, Community and Young Voices.

Reserves Policy

This year has been highly unusual due to the continuing capital project and pandemic. The Trustees have reviewed the charity's reserves policy in line with the guidance issued by the Charity Commission and recognise the need to safeguard the organisation against potential reductions in grant-aided income, fluctuations in earned income and unplanned expenditure, particularly emergency repairs and maintenance to the theatre premises going forward. They also note the particular situation caused by the Covid-19 pandemic, and the potential impact on the charity's operations in future years. They consider that unrestricted general reserves should be maintained at a level at least equal to three months' "core" revenue operating expenditure, which, at normal operating levels (when the building is open) equates to approximately £250,000. In compliance with this policy, the unrestricted general reserves at 31st March 2021 amounted to £452,458.

The Trustees recognise that unrestricted reserves may need to be utilised to support operations in this unprecedented environment (any such use will be agreed through the usual governance structure of the organisation), but consider that the current reserve levels remain appropriate for the organisation. The Board designates reserves for specific purposes out of unrestricted funds each year as required when approving the annual accounts. Expenditure out of designated reserves is then approved in accordance with normal authorisation policies. Designated reserves at 31st March 2021 amounted to £673,641 (see Note 16 to the Accounts).

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****YEAR IN REVIEW**

Polka is a pioneering national theatre for children based in Wimbledon, Southwest London. The first UK venue to be created exclusively for young audiences, we specialise in work for children aged 0-12 years and remain one of very few theatres in the UK that regularly commissions and produces new work for children in this age range. Since 1979, we have built a local, national and international reputation and are recognised for the quality of our productions through which children explore the world and their relationship to it. We are at the forefront of developments in work for Early Years audiences and we champion 'Young Voices', providing children with a platform for their ideas and opinions by developing productions derived from their ideas and involving them in the creative process.

We provide enabling, nurturing and safe environments to stimulate young minds and imaginations, and fuel a sense of discovery and open play. Our capital redevelopment (2019-21) marks a new phase in the organisation's history, creating a new space that reflects our inclusive and accessible values and re-imagining how our venue can cater for and inspire new generations of young audiences, school groups and families.

Productions, Touring and Professional Development

The pandemic meant that live theatre was affected by cancellations or delays, with our revival of *The Paper Dolls* at New Wimbledon Theatre Studio in summer 2020 cancelled. *Mapping*, the Culture Europe funded project to explore early years theatre practice that Polka is part of, alongside 17 other EU countries, was paused during the year with a revised hybrid digital/live schedule extended through to 2023.

During each lockdown our attention has shifted to online provision to bring theatre into children's homes, extending our digital reach nationally and internationally to connect with children who would never normally be able to access our work. We commissioned a born-digital family production of *A Christmas Carol*, created by Ian Nicholson and Sam Wilde, bringing cardboard theatre alive in a free 15-minute filmed performance – this achieved over 3,000 watches during the 3-week release. Subtitling and an audio described version, commissioned via VocalEyes, ensured the film was accessible.

*"An inventive & compelling retelling of a Christmas classic – a great introduction to the tale of Mr Scrooge for audience members young & old!"*MindtheBlog

We also worked with theatre company Inspector Sands to co-commission *Rockpool*, a six-part audio play for 4 to 7- year olds, which over 1,300 people accessed via our website.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****Productions, Touring and Professional Development (continued)**

PolkaLAB, our professional development programme for BAME and disabled artists addressing barriers to diversity in creating work for children, was also largely paused during the year. We have extended the programme by a year for the new PolkaLAB artists who joined us from September 2019 for an 18 month period:

- Nikki Charlesworth is developing a semi-autobiographical puppet piece exploring her experiences living with Cerebral Palsy and the wider experience of those living with disabilities in the UK today. Following a scratch night at Cast Doncaster, she secured additional support from Derby Theatre and Without Walls.
- Northern based company Two Tonne is developing a beat box musical for children aged 3-5, which will explore similarity and difference in the context of racism and multiculturalism in Britain. They have additional support for the project from ARC Stockton and Creative Scene.
- Subathra Subramaniam is developing a playful, interactive dance piece exploring the theme of plastics, alongside UCL's Institute of Making. It will explore why we use plastics and how they are made. She was announced as Artistic Director of Akademi Dance in autumn 2019.

We partnered with Unlimited to co-commission a new piece of work for children by disabled performer Lilac Yosiphon, which will be developed and performed in 2022. Disabled Artist Daryl Beeton continued as an Associate Artist and Matthew Crowfoot continued as freelance Access Consultant.

Co-producers Brunskill & Grimes undertook a covid-safe research and development period for a new production, *This Moose Belongs to Me*, and our Artistic Director Peter Glanville led a remote research and development project for *Cycle*, our new Early Years production as part of EU funded project *Mapping*. Both productions are due for realisation in 2022.

Through the early stages of the pandemic, we supported a freelancer as part of the Freelance Taskforce, ensuring that freelancers (who make up 70% of the theatre sector) had a voice. Our offsite workshop and storage facility provided us with the opportunity to offer construction services for other organisations and to hire out making space.

Staff contributed to debate and learning in the sector through involvement at various events, including Artistic Director Peter Glanville taking part in a director's talk via Zoom for Tramshed, alongside directors from Unicorn, Half Moon and Little Angel Theatre.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****Creative Learning**

In response to the pandemic, Polka's Creative Learning department quickly pivoted the extensive programme of live activities to reshape them for hybrid digital and live delivery. In March 2020 we launched **Polka Online**, a range of digital content including workshops and storytellings, plus resource packs for families and teachers to use. We also continued a number of our programmes via hybrid live and virtual methods including Write Here, Write Now, Freefalling and Re:Sound choir.

In total, 17,664 children and adults accessed these activities – of these 3,131 took part in live activities either in-person or via Zoom, with the rest seeing recorded Creative Learning content. We estimate that 47% of live participants were new to Polka.

We continued our intergenerational community choirs project Re:Sound, switching to online sessions from June 2020 in partnership with Merton Music Foundation, with the majority of participants able to continue engaging. The choir recorded the song *Gather and Sing* by Pete Churchill – contributions were recorded individually and were then blended together by a sound engineer. This uplifting song was released on New Year's Day 2021 as we went through lockdown again.

Our Freefalling weekly workshops for children facing challenging circumstances at home or at school also shifted to online delivery for weekly workshops and creation of digital content, but an in-person summer-school in August 2020 provided welcome relief – the children devised and performed in an imaginative film called *Mind Games* which was released online via YouTube.

Write Here, Write Now, our new literacy project specifically for Year 3 students (7 to 8 years) who have aptitude but are not reaching their full potential due to low confidence, was rolled out to 12 schools including one SEND school, largely through digital sessions with over 50 filmed workshops delivered. Teacher feedback has been excellent, with 88% of teachers rating the value of the sessions as Very High (12% showed High). The programme began its second year in spring 2021.

We continued to work with our Young Voices Panel, a group of 8 to 13-year olds who are involved and advise us on all aspects of Polka, ensuring children remain at the heart of our work. This included commenting on the redevelopment plans and visiting our building site as well as contributing to fundraising and communications activities. We also developed new online participation workshops with over 20 holiday workshops delivered to children in their homes with parents and carers.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****Creative Learning (continued)**

In autumn 2020 we were able to get back to live in-school workshops, with 16 sessions delivered including our new Mental Health and Wellbeing workshops, which were featured on BBC News. Following the second lockdown in Dec 20/Jan 21, we developed these workshops into a series of multiple videos suitable for Reception to Year 6, providing free resources for teachers across the country to use to support children's mental health and wellbeing during the pandemic. We had nearly 1,000 views of the films and received excellent feedback. These are now being further developed into more general Health and Wellbeing resources for teachers, with new content due to be released in September 2021.

We continued our engagement with the community wherever possible. Activities included a filmed workshop inspired by author Julia Donaldson's *Sharing a Shell* in February 2021. The workshop was delivered as a multisensory concept for children who are blind or visually impaired. We delivered sensory story bags which included shells, foil strips to be seaweed and flashing sensory balls, to all participating children, which were then used as part of the guided digital workshop. A further three filmed storytelling workshops were also provided to Children's Centres in March. We also expanded the membership of our Community Working Group, which has been fundamental in ensuring we understand what our communities have needed from us during this pandemic.

We continued to work with 25+ volunteers on the Polka40 project exploring the history of the company – completing 20 oral history recordings and preparing them for digital release on our website, plus creation of an online booklet and exhibition to be installed at the theatre upon reopening.

Where necessary we provided Chromebooks to children and choir participants to ensure that access to technology was never a reason for people not to take part in online sessions.

Environmental Sustainability

Our redevelopment project will hugely improve the environmental sustainability of the building – we achieved a BREEAM 'Excellent' rating for the Design phase of the project, aiming to retain this at completion. We also worked with Crew Energy, who support not-for-profit organisations to improve the environmental impact of their venues, planning additional improvements to the theatre building beyond the scope of the main redevelopment. Funding from the London Community Energy Fund, alongside other private funders, is enabling energy efficiency improvement works to take place in Summer 2021.

POLKA CHILDREN'S THEATRE LIMITED**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****Organisational Resilience**

Strongly controlled expenditure and robust fundraising, particularly through our public appeal, new events, campaigns and corporate support has increased our unrestricted income, helping to mitigate the higher risk activity of the capital project. The unforeseen impact of Covid-19 will undoubtedly put the company in a challenging position going into the reopening, but our performance this year has helped provide a stable footing to meet these challenges. Our fundraising strategy and delivery continue to bring new supporters to the theatre, and ensure we can continue to deliver our charitable activities during closure.

We supported the sector by leading the creation of a new Arts Finance Working Group, with over 60 members from across a range of England-wide arts and culture organisations of varying scale. The group, started in September 2020, provides an opportunity for in-house and freelance finance professionals to come together at 4-6 week intervals to exchange practical knowledge and support.

Fundraising Policy

We raise a limited percentage of our revenue funds from members of the public. We are registered with the Fundraising Regulator and all fundraising conducted on behalf of Polka, whether by committees, volunteers or staff, must comply with the Code of Fundraising Practice, Polka's policies and all relevant legislation.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of its surplus or deficit for that period. In doing so, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

POLKA CHILDREN'S THEATRE LIMITED

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31st MARCH 2021

Statement of Trustees' Responsibilities (continued)

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

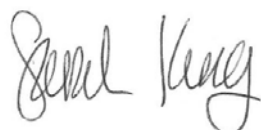
In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITOR

A resolution will be proposed at the Annual General Meeting that Buzzacott LLP be re-appointed as auditor to the company for the ensuing year.

This report was approved by the trustees on 8th September 2021.



Sarah King

Chair

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
POLKA CHILDREN'S THEATRE LIMITED

Independent auditor's report to the members of Polka Children's Theatre Limited

Opinion

We have audited the financial statements of Polka Children's Theatre (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, and statement of cash flows and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
POLKA CHILDREN'S THEATRE LIMITED

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, 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 trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
POLKA CHILDREN'S THEATRE LIMITED

Matters on which we are required to report by exception (continued)

- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
POLKA CHILDREN'S THEATRE LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the accounts are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011), Companies Act 2006 and those that relate to data protection (General Data Protection Regulation).

We assessed the susceptibility of the charitable company's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates for the calculation of the annual depreciation charge; the allocation of support costs between charitable expenditure categories; and the estimation of future income and expenditure flows for the purpose of assessing going concern were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
POLKA CHILDREN'S THEATRE LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 21 September 2021

POLKA CHILDREN'S THEATRE LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31st MARCH 2021

	Notes	Unrestricted Funds <i>General</i> £	Unrestricted Funds <i>Designated & Revaluation</i> £	Restricted Funds <i>Revenue grants</i> £	Restricted Funds <i>Capital project</i> £	Total 2021 £	Total 2020 £
INCOME FROM							
Grants and donations	5	1,030,075	-	118,043	1,681,084	2,829,202	4,594,788
Charitable activities	2	36,649	-	-	-	36,649	71,238
Investment income	4	3,980	-	-	-	3,980	7,097
Total Income		1,070,704	-	118,043	1,681,084	2,869,831	4,673,123
EXPENDITURE ON							
Raising funds	3	88,828	-	-	88,930	177,758	174,254
Charitable activities							
Operation of theatre and related activities	3	431,122	21,812	66,585	-	519,519	650,798
Building redevelopment project	3	-	-	-	226,962	226,962	166,612
Total Expenditure		519,950	21,812	66,585	315,892	924,239	991,664
Net Income/(Expenditure)		550,754	(21,812)	51,458	1,365,192	1,945,592	3,681,459
Transfers between funds	16	(476,259)	476,259	-	-	-	-
Net movement in funds		74,495	454,447	51,458	1,365,192	1,945,592	3,681,459
Balance at 1st April 2020		377,963	1,300,496	262,561	5,698,839	7,639,859	3,958,400
Balance at 31st March 2021		452,458	1,754,943	314,019	7,064,031	9,585,451	7,639,859

All income and expenditure is derived from continuing activities.

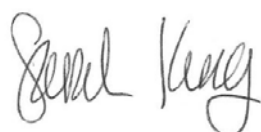
The statements of financial activities includes all gains and losses recognised during the year.

POLKA CHILDREN'S THEATRE LIMITED**BALANCE SHEET****AS AT 31st MARCH 2021**

	Notes	2021		2020	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	9		8,223,352		4,548,412
CURRENT ASSETS					
Stock	10	-		594	
Debtors	11	159,152		243,941	
Cash at bank and in hand		<u>1,850,881</u>		<u>3,242,750</u>	
		2,010,033		3,487,285	
CREDITORS:					
Amounts falling due within one year	12	<u>(289,920)</u>		<u>(230,977)</u>	
NET CURRENT ASSETS					
			<u>1,720,113</u>		<u>3,256,308</u>
Total assets less current liabilities					
			9,943,465		7,804,720
CREDITORS:					
amounts falling due after more than one year	13		<u>(358,014)</u>		<u>(164,861)</u>
			<u>9,585,451</u>		<u>7,639,859</u>
THE FUNDS OF THE CHARITY					
Unrestricted					
General Fund	14		452,458		377,963
Revaluation Reserve	15		1,081,302		1,099,691
Designated Reserves	16		673,641		200,805
Restricted					
Capital Project Fund	17		7,064,031		5,698,839
Other Restricted Funds	17		<u>314,019</u>		<u>262,561</u>
			<u>9,585,451</u>		<u>7,639,859</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard 102.

The financial statements were approved by the Board of Directors on 8th September 2021 and signed on their behalf by:



Sarah King

Company Number: 00938592

POLKA CHILDREN'S THEATRE LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31st MARCH 2021**

	2021	2020
	£	£
OPERATING ACTIVITIES		
Net income/(expenditure) for the reporting period	1,945,592	3,681,459
Depreciation charge	50,011	49,949
Interest payable	4,610	6,669
Investment income	(3,980)	(7,097)
Decrease in debtors	84,789	108,758
Decrease in creditors	74,708	7,863
Decrease in stock	594	-
Net cash provided by / (used in) operating activities	<u>2,156,324</u>	<u>3,847,601</u>
INVESTING ACTIVITIES		
Purchase of assets	(3,724,951)	(1,842,512)
Investment income	3,980	7,097
Net cash provided by / (used in) investing activities	<u>(3,720,971)</u>	<u>(1,835,415)</u>
FINANCING ACTIVITIES		
Interest payable	(4,610)	(6,669)
Loan repayment	(29,201)	(28,260)
CBILS loan	250,000	-
Cash flows from financing activities	<u>216,189</u>	<u>(34,929)</u>
Change in cash and cash equivalents in the reporting period	(1,348,458)	1,977,257
Cash and cash equivalents at the beginning of the reporting period	<u>3,199,339</u>	<u>1,222,082</u>
Cash and cash equivalents at the end of the reporting period	<u>1,850,881</u>	<u>3,199,339</u>

Analysis of cash and cash equivalents:

	2021	2020
	£	£
Cash in hand	1,850,881	3,242,750
Overdraft facility repayable on demand	-	(43,411)
	<u>1,850,881</u>	<u>3,199,339</u>

POLKA CHILDREN'S THEATRE LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31st MARCH 2021****Reconciliation of changes in net debt:**

	2020 £	Cash Flows £	Other Non- cash movements £	2021 £
Cash and cash equivalents				
Cash at bank and in hand	3,242,750	(1,391,869)	—	1,850,881
	<u>3,242,750</u>	<u>(1,391,869)</u>	<u>—</u>	1,850,881
Borrowings				
Overdraft facility repayable on demand	(43,411)	43,411	—	—
Mortgage due within one year	(35,021)	33,811	(32,290)	(33,500)
Mortgage due after more than one year	(164,861)	—	27,680	(137,181)
CBILS loan	—	(250,000)	—	(250,000)
	<u>(243,293)</u>	<u>(172,778)</u>	<u>(4,610)</u>	(420,681)
Total cash and cash equivalents	<u>2,999,457</u>	<u>(1,564,647)</u>	<u>(4,610)</u>	1,430,200

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****1. ACCOUNTING POLICIES****Accounting Convention**

The financial statements have been prepared in accordance with the Charities SORP (FRS102), with the Companies Act 2006, and with applicable Accounting Standards. They have been prepared under the historical cost convention and in accordance with FRS (102). The charity is a public entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Going concern

The Trustees have considered the requirement that the financial statements should be prepared on a going concern basis. They have discussed at length the effects of Covid-19 and its potential impact on the charity's operations in 2021-22 and beyond. They have concluded that it is appropriate that the financial statements be prepared on a going concern basis.

In making this assessment, the Trustees have considered whether there is a material uncertainty that the charity can continue as a going concern and how this should be presented in the financial statements. They have concluded that whilst the degree of uncertainty described in the Report of the Trustees warrants transparent disclosure, it does not constitute a material uncertainty related to going concern.

Risks continue to be managed through risk assessments and scenario planning as new external and internal factors arise. The 2021-22 budget includes contingency to support what will be a challenging winter period, and the 2022-23 forecast is based on break even planning with strong focus on growing individual giving. The charity has on-going support from its bankers and funders, with significant grants secured focused on recovery from the impact of Covid-19. As at end July 2021 it has secured approximately 65% of its budgeted revenue target for voluntary income or donations in 2021-22. The capital project will come to an end during 2021-22 and we have achieved our fundraising target of £8.5m. The latest estimated cash flow forecast has been drawn up through to March 2023 based on reopening in August 2021.

Taking into account the above, as well as the charity's cost base and reserves position at 31st March 2021 and having looked at least 12 months from the date of signing these accounts, the Trustees have concluded that there are no material uncertainties about the charitable company's ability to continue as a going concern.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****1. ACCOUNTING POLICIES (continued)****Building Redevelopment Project**

The Building Redevelopment Project costs included in note 3 comprises all expenditure relating to the redevelopment of the Theatre, which includes the costs of constructing the redeveloped theatre and related professional fees, as well as fundraising costs and any expenditure relating to the temporary closure of Polka Theatre.

The costs which are directly attributable to the construction of the redeveloped theatre have been capitalised in accordance with FRS 102 in the year and all other project costs are written off when they expended.

Tangible Fixed Assets

Tangible fixed assets with an economic life of more than one year are capitalised if their cost exceeds £1,000.

The freehold and leasehold buildings were revalued at £1,575,000 in the 2014 year, with the uplift in value being credited to the revaluation reserve. This was undertaken as allowed under the transition to FRS 102 with the revalued amount being treated as deemed cost from this point. The additional depreciation charge that results from this uplift in valuation is set against the revaluation fund each year.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life. The annual rates used, which are applied on a straight line basis, are currently as follows:

Freehold buildings and long term leasehold	2%
Plant and machinery	10%

Costs in respect of the Building redevelopment project will not be depreciated until the project is complete and the building is brought back into use during 2021-22.

Stocks

Stock is valued at the lower of cost and net realisable value.

Income

Income represents monies received from the productions staged in the theatre, or on tour, miscellaneous items effected through the theatre's ancillary operations and net fees receivable from productions after deducting percentages withheld by theatres. Income is deferred when admission fees are received in advance of the performances to which they relate.

Donations and grants

Income from donations and grants is accounted for when the charity is entitled to the income, the receipt is probable and the amount can be estimated with reasonable certainty.

1. ACCOUNTING POLICIES (continued)

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****Resources expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis.

Pensions

All eligible and entitled workers for the company are able to participate in its registered auto-enrolment pension scheme operated by NOW Pensions. This scheme is open to any employee over 16 who has been with the company for at least 3 months and earns above the relevant earnings threshold. The company currently offers an employer's contribution of 1% of the employee's gross earnings.

Theatre Tax Relief

Theatre Tax Relief (TTR) is taken into account when the amount recoverable can be reasonably estimated and the receipt is probable.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight line basis over the period of the lease.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****1. ACCOUNTING POLICIES (continued)****Financial instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently valued at their settlement value.

The charity only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of financial activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the charity would receive for the asset if it were to be sold at the reporting date.

Fund accounting

The reserves of the charity are as follows:

Restricted funds comprise monies set aside for particular projects or purposes in accordance with the instructions of the grantor.

Designated funds are monies set aside of unrestricted general funds and designated for specific purposes by the trustees.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the members of the management committee to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets; and
- apportionment of expenditure across each activity.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****2. INCOME**

	2021	2020
	£	£
Box Office	125	30,851
Creative Learning	7,206	39,170
Royalties, touring and co-production fees	-	650
Merchandising	-	245
Lettings and hires	5,375	322
Theatre tax relief	23,943	-
	<u>36,649</u>	<u>71,238</u>

3. EXPENDITURE

	2021	2020
	£	£
Raising Funds		
Salaries and wages	78,102	56,917
Sponsorship and events	10,726	8,819
Capital project fundraising	88,930	108,518
	<u>177,758</u>	<u>174,254</u>
Charitable Activities		
<i>Operation of a theatre and related activities</i>		
Actors, production and Creative Learning costs	121,058	188,355
Café costs	-	790
Direct costs	179,007	169,457
Project costs	17,040	4,077
Central and premises costs	29,046	52,851
Depreciation	50,011	49,949
Marketing	36,663	76,879
Governance costs (see below)	86,694	108,440
	<u>519,519</u>	<u>650,798</u>
<i>Building Redevelopment project</i>		
Total project costs for the year	4,028,729	2,117,642
Less Fundraising costs (see above)	(88,930)	(108,518)
Less Capitalised costs (see note 9)	<u>(3,712,837)</u>	<u>(1,842,512)</u>
	<u>226,962</u>	<u>166,612</u>
Governance costs		
Salaries and Wages	48,227	80,977
Audit and accountancy	12,580	8,140
Office costs	25,887	19,323
	<u>86,694</u>	<u>108,440</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****4. INVESTMENT INCOME**

	2021	2020
	£	£
Bank interest received	3,980	7,097
	<u>3,980</u>	<u>7,097</u>

5. GRANTS AND DONATIONS

Polka continues to be part of Arts Council England's National Portfolio Organisations – with a renewed funding agreement for 2018-22 confirmed. The London Borough of Merton continues to support the theatre although this revenue grant will begin to decrease to zero within 3 years from 2020.

We continued to build corporate support through sponsorship of events and corporate giving, and we continued to receive project and core support from a wide range of trusts and foundations.

	Unrestricted	Restricted	Total 2021
	£	£	£
Grants			
Arts Council England, London Revenue grant	580,711	-	580,711
London Borough of Merton Revenue grant	30,000	-	30,000
Coronavirus Job Retention Scheme grant	53,562	-	53,562
Subsidy Income	<u>664,273</u>	-	<u>664,273</u>
Sponsorship and Donations			
CAPITAL			
Arts Council England	-	712,765	712,765
Greater London Authority	-	159,632	159,632
London Borough of Merton Neighbourhood Fund	-	150,000	150,000
Chan Yin Cheun Memorial Charitable Foundation	-	300,000	300,000
Christina Smith Foundation	-	50,000	50,000
The Charles Skey Charitable Trust	-	50,000	50,000
The True Colours Trust	-	40,000	40,000
Linbury Trust	-	30,000	30,000
Foyle Foundation	-	25,000	25,000
The Hugo Halkes Charitable Trust	-	20,000	20,000
The Clothworkers' Foundation	-	20,000	20,000
The Bernard Sunley Charitable Foundation	-	20,000	20,000
The Kirby Laing Foundation	-	10,000	10,000
The BP Foundation	-	3,000	3,000
Alf and Hilda Leivers Charity Trust	-	2,500	2,500
Wimbledon District Nursing & Midwifery			
Benevolent Society	-	2,180	2,180
Other Capital Project #	-	86,007	86,007
Sub-total	<u>-</u>	<u>1,681,084</u>	<u>1,681,084</u>

5. GRANTS AND DONATIONS (CONTINUED)

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021**

	Unrestricted	Restricted	Total 2021
	£	£	£
REVENUE			
The Wolfson Foundation	120,000	-	120,000
The Clore Duffield Foundation	-	20,000	20,000
The Charles Skey Charitable Trust	-	10,000	10,000
Clarion Housing Association	-	10,000	10,000
Icon Solutions	-	8,000	8,000
The Ashley Family Foundation	-	5,000	5,000
The D'Oyly Carte Charitable Trust	-	5,000	5,000
MFS Financial Services	-	5,000	5,000
HPD Lendscape	-	5,000	5,000
The Sobell Foundation	-	5,000	5,000
Wimbledon Offices	-	5,000	5,000
The John Horseman Trust	-	5,000	5,000
The Weinstock Fund	-	5,000	5,000
The Harold Hyam Wingate Foundation	-	5,000	5,000
L & Q Foundation Place Makers Fund	-	4,683	4,683
The Childhood Trust	4,000	-	4,000
The Calleva Foundation	3,000	-	3,000
The Eleanor Rathbone Charitable Trust	-	3,000	3,000
Co-Op Community Fund		4,212	4,212
The Vernon N Ely Charitable Trust	4,000	-	4,000
Starkie Bence Charitable Trust	2,000	-	2,000
Other donations	232,802	13,148	245,950
Sub-total	365,802	118,043	483,845
Total Sponsorship and donations	365,802	1,799,127	2,164,929
Total	1,030,075	1,799,127	2,829,202

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****5. GRANTS AND DONATIONS (CONTINUED)**

	Unrestricted	Restricted	Total 2020
	£	£	£
Grants			
Arts Council England, London Revenue grant	570,219	-	570,219
London Borough of Merton Revenue Grant	60,000	-	60,000
Subsidy Income	<u>630,219</u>	<u>-</u>	<u>630,219</u>
Sponsorship and Donations			
CAPITAL			
Arts Council England	-	1,145,974	1,145,974
Greater London Authority	-	1,050,368	1,050,368
London Borough of Merton Grant	-	150,000	150,000
Garfield Weston Foundation	-	225,000	225,000
Clore Duffield Foundation	-	200,000	200,000
Stavros Niarchos Foundation	-	150,000	150,000
The Taylor Family Foundation	-	150,000	150,000
City Bridge Trust	-	100,000	100,000
Merton Borough Council CIL Neighbourhood Fund	-	95,000	95,000
Doris Pacey Foundation	-	50,000	50,000
The Wolfson Foundation	-	50,000	50,000
Icon Solutions	-	50,000	50,000
The Bidder McKinley Foundation	-	25,000	25,000
The Vernon N Ely Charitable Trust	-	25,000	25,000
The Generations Foundation	-	10,000	10,000
Backstage Trust	-	10,000	10,000
DM Thomas Foundation for Young	-	8,634	8,634
The Dorus Trust	-	5,000	5,000
The Sobell Foundation	-	5,000	5,000
Wimbledon District Nursing and Midwifery			
Benevolent Fund	-	5,000	5,000
Alf and Hilda Leivers Charity Trust	-	4,500	4,500
Other Capital Project #	-	269,450	269,450
Sub-total	<u>-</u>	<u>3,783,926</u>	<u>3,783,926</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****5. GRANTS AND DONATIONS (CONTINUED)****REVENUE**

The National Lottery Heritage Fund	-	24,400	24,400
The Charles Skey Charitable Trust	-	10,000	10,000
Three Monkeys Trust	-	5,680	5,680
Icon Solutions	-	7,848	7,848
The Childhood Trust	-	5,178	5,178
Pauline Twogood Wimbledon Offices	-	5,000	5,000
The Britford Bridge Trust	-	5,000	5,000
Theatre Development Trust	-	5,000	5,000
Clarion Housing Group	-	5,000	5,000
The Austin and Hope Pilkington Trust	-	5,000	5,000
The John Horseman Trust	-	5,000	5,000
The Rix-Thompson-Rothenberg Foundation/ The Bailey Thomas Charitable Fund	-	5,000	5,000
The Lopylugs and Barbara Morrison CT	-	5,000	5,000
London Freemasons' Charity	-	5,000	5,000
L & Q Foundation Place Makers Fund	-	4,682	4,682
The Vernon N Ely Charitable Trust	-	4,000	4,000
The Noel Coward Foundation	-	3,600	3,600
Russell-Cooke LLP	-	3,600	3,600
John Horniman's Children's Trust	-	3,000	3,000
Wimbledon District Nursing and Midwifery Benevolent Society	-	3,000	3,000
Calleva Foundation	-	3,000	3,000
Other donations	35,708	8,714	44,422
Other Events	13,233	-	13,233
Sub-total	48,941	131,702	180,643
Total Sponsorship and donations	48,941	3,915,628	3,964,569
Total	679,160	3,915,628	4,594,788

Other Capital Project donations include amounts received from donors who wish to remain anonymous.

Many regular donors have switched their contributions to the Capital Project.

6. NET INCOME/EXPENDITURE

	2021	2020
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	50,011	49,949
Auditors' remuneration	8,475	8,140

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****7. STAFF COSTS**

	2021	2020
	£	£
Wages and Salaries	421,287	365,475
Pension contributions	11,429	9,501
Social security costs	39,232	31,919
Restructuring costs	9,300	-
	<u>481,248</u>	<u>406,895</u>

No employee earned more than £60,000 per annum (2020 - none).

No members of the Board of Directors received any remuneration during the year for executive services. The Board members were not paid or reimbursed for expenses during the year.

The cost of employment of Key Management Personnel amounted to £111,633 (2020: £112,513). Key Management Personnel comprise the Joint Chief Executives.

	2021	2020
	No.	No.
Average number of employees during the year		
Senior Management Personnel	2	2
Directors and performers	-	4
Sales, administration and others	11	12
	<u>13</u>	<u>18</u>

8. INTEREST PAYABLE

	2021	2020
	£	£
Mortgage loan interest	<u>4,610</u>	<u>6,669</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****9. TANGIBLE FIXED ASSETS**

	Freehold land and buildings	Short leasehold land and buildings	Leasehold Improve- ments	Building Redeve- lopment Project	Plant and Machinery	Total
	£	£			£	£
Cost						
At 1 April 2020	1,050,000	950,000	6,999	2,702,785	183,089	4,892,873
Additions	-	-	12,114	3,712,837	-	3,724,951
At 31 March 2021	<u>1,050,000</u>	<u>950,000</u>	<u>19,113</u>	<u>6,415,622</u>	<u>183,089</u>	<u>8,617,824</u>
Depreciation						
At 1 April 2020	75,000	114,000	996	-	154,465	344,461
Charge for the year	12,500	19,000	202	-	18,309	50,011
At 31 March 2021	<u>87,500</u>	<u>133,000</u>	<u>1,198</u>	<u>-</u>	<u>172,774</u>	<u>394,472</u>
Net book value						
At 31 March 2021	<u>962,500</u>	<u>817,000</u>	<u>17,915</u>	<u>6,415,622</u>	<u>10,315</u>	<u>8,223,352</u>
At 31 March 2020	<u>975,000</u>	<u>836,000</u>	<u>6,003</u>	<u>2,702,785</u>	<u>28,624</u>	<u>4,548,412</u>

10. STOCKS

	2021	2020
	£	£
Books	<u>-</u>	<u>594</u>

11. DEBTORS

	2021	2020
	£	£
Trade receivable	1,810	9,723
Prepayments and accrued income	115,465	208,200
Other Debtors	<u>41,877</u>	<u>26,018</u>
	<u>159,152</u>	<u>243,941</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Overdraft	-	43,411
Mortgage loan (secured)	33,500	35,021
Other taxes and social security costs	2,048	8,553
Other creditors	225,205	143,992
CBILS loan	<u>29,167</u>	<u>-</u>
	<u>289,920</u>	<u>230,977</u>

As part of Polka's mitigation of risk during Covid-19, a £250,000 CBILS loan was taken out with Barclays. The period of the loan is 6 years (72 months) from 21st September 2020. The terms of the loan include 2.99% floating rate interest and a capital repayment holiday for the first 12 months.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	2021	2020
	£	£
Mortgage loan (secured)	137,181	164,861
CBILS loan	220,833	-
	<u>358,014</u>	<u>164,861</u>
Repayable between one and five years	337,179	140,086
Repayable in five years or more	20,835	24,775
	<u>358,014</u>	<u>164,861</u>

14. GENERAL FUND

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
Unrestricted funds	377,963	1,070,704	(519,950)	(476,259)	452,458
					<u>452,458</u>
	At 1 April 2019	Income	Expenditure	Transfers	At 31 March 2020
	£	£	£	£	£
Unrestricted funds	272,663	757,495	(532,195)	(120,000)	377,963
					<u>377,963</u>

15. REVALUATION RESERVE

The freehold and leasehold buildings were revalued at £1,575,000 in the 2014 year, with the uplift in value being credited to the revaluation reserve. This was undertaken as allowed under the transition to FRS102 with the revalued amount being treated as deemed cost from this point. The additional depreciation charge that results from this uplift in valuation is set against this fund each year.

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
Revaluation reserve	1,099,691	-	(18,389)	-	1,081,302
					<u>1,081,302</u>
	At 1 April 2019	Income	Expenditure	Transfers	At 31 March 2020
	£	£	£	£	£
Revaluation reserve	1,118,080	-	(18,389)	-	1,099,691
					<u>1,099,691</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****16. DESIGNATED RESERVES**

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
Equipment	30,805	-	(3,423)	-	27,382
Capital project	50,000	-	-	184,992	234,992
ACE fund	120,000	-	-	-	120,000
Re-opening fund	-	-	-	291,267	291,267
	<u>200,805</u>	<u>-</u>	<u>(3,423)</u>	<u>476,259</u>	<u>673,641</u>

The ACE Fund represents donated amounts carried forward with the agreement of ACE to fund expenditure in 2021/22. The re-opening fund consists of unrestricted funding identified by the Trustees to be utilised for the re-opening period in 2021/22.

	At 1 April 2019	Income	Expenditure	Transfers	At 31 March 2020
	£	£	£	£	£
Equipment	34,228	-	(3,423)	-	30,805
Capital project	50,000	-	-	-	50,000
ACE Fund	-	-	-	120,000	120,000
	<u>84,228</u>	<u>-</u>	<u>(3,423)</u>	<u>120,000</u>	<u>200,805</u>

17. RESTRICTED FUNDS

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
CAPITAL PROJECT FUND					
Theatre Redevelopment Fund	5,698,839	1,681,084	(315,892)	-	7,064,031
	<u>5,698,839</u>	<u>1,681,084</u>	<u>(315,892)</u>	<u>-</u>	<u>7,064,031</u>
This comprises:					
Capitalised costs	2,702,785	-	-	3,712,837	6,415,622
Unspent funds	2,996,054	1,681,084	(315,892)	(3,712,837)	648,409
	<u>5,698,839</u>	<u>1,681,084</u>	<u>(315,892)</u>	<u>-</u>	<u>7,064,031</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****17. RESTRICTED FUNDS (CONTINUED)**

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
OTHER RESTRICTED FUNDS					
Original Theatre Fund	260,711	-	(8,975)	-	251,736
Vehicle Fund	1,850	-	(1,850)	-	-
Write Here, Write Now	-	31,783	(2,500)	-	29,283
Freefalling	-	52,382	(31,882)	-	20,500
Polka40 Resound	-	20,378	(17,878)	-	2,500
PolkaLab	-	2,500	(2,500)	-	-
Access	-	1,000	(1,000)	-	-
RED	-	5,000	-	-	5,000
Curtain Up	-	5,000	-	-	5,000
	262,561	118,043	(66,585)	-	314,019
TOTAL	5,961,400	1,799,127	(382,477)	-	7,378,050

Theatre Redevelopment Fund For use during the Future Polka redevelopment project, begun in 2019 and due to complete in 2021.

Original Theatre Fund Relating to the original building project to create the theatre in 1979.

Vehicle Fund For use against the depreciating cost of the Polka van.

Restricted project funds:

Write Here Write Now Restricted funds that are for specific projects delivered by the Creative Learning and Producing departments, to which restricted funds received in advance of the activities taking place are assigned. These funds change annually according to the theatre's project programming, and may be one-off short-term or ongoing annual projects.

Freefalling

Polka40 Resound

PolkaLAB

Access

RED

Curtain Up!

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****17. RESTRICTED FUNDS (CONTINUED)**

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
CAPITAL PROJECT FUND					
Theatre Redevelopment Fund	2,190,043	3,783,926	(275,130)	-	5,698,839
	2,190,043	3,783,926	(275,130)	-	5,698,839
This comprises:					
Capitalised costs	860,273	-	-	1,842,512	2,702,785
Unspent funds	1,329,770	3,783,926	(275,130)	(1,842,512)	2,996,054
	2,190,043	3,783,926	(275,130)	-	5,698,839
OTHER RESTRICTED FUNDS					
Original Theatre Fund	269,686	-	(8,975)	-	260,711
Vehicle Fund	3,700	-	(1,850)	-	1,850
Polka40	20,000	54,999	(74,999)	-	-
Write Here, Write Now	-	44,097	(44,097)	-	-
Freefalling	-	15,178	(15,178)	-	-
Polka 40 Resound	-	5,680	(5,680)	-	-
PolkaLab	-	4,374	(4,374)	-	-
Access	-	4,374	(4,374)	-	-
Creative Learning Outreach	-	3,000	(3,000)	-	-
	293,386	131,702	(162,527)	-	262,561
TOTAL	2,483,429	3,915,628	(437,657)	-	5,961,400

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2021	Fixed Assets £	Net Current Assets £	Creditors > 1 year £	Total £
Unrestricted Funds				
General Fund	385,027	425,445	(358,014)	452,458
Revaluation Reserve	1,081,302	-	-	1,081,302
Designated Funds	27,382	646,259	-	673,641
Restricted Funds				
Capital Project Fund	6,415,622	648,409	-	7,064,031
Other Restricted Funds	314,019	-	-	314,019
	8,223,352	1,720,113	(358,014)	9,585,451

POLKA CHILDREN'S THEATRE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2021

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

2020	Fixed Assets	Net Current Assets	Creditors > 1 year	Total
	£	£	£	£
Unrestricted Funds				
General Fund	444,070	90,254	(164,861)	369,463
Revaluation Reserve	1,099,691	-	-	1,099,691
Designated Funds	30,805	170,000	-	200,805
Restricted Funds				
Capital Project Fund	2,702,785	2,996,054	-	5,698,839
Other Restricted Funds	262,561	-	-	262,561
	<u>4,539,912</u>	<u>3,256,308</u>	<u>(164,861)</u>	<u>7,631,359</u>

19. FINANCIAL COMMITMENTS

At the year end, the charity had future minimum lease payments under operating leases as follows:

	2021	2020
	£	£
Land & Buildings		
Due in less than 1 year	44,000	44,000
Due in between 2 and 5 years	4,219	48,219
	<u>48,219</u>	<u>92,219</u>

20. LEGAL STATUS

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

21. TAXATION

The company is a registered charity and no taxation liabilities arise from its charitable activities.

22. RELATED PARTIES

There were no related party transactions within the year.

Trustees made donations in the year totalling £125,515 (2020 - £6,870). Trustees pay the normal admission charge when they attend performances and other events.

Following her resignation as a Trustee on 4 December 2020, Katy Manuel was employed by the charity as a Marketing Consultant. The appointment was approved by the Board of Trustees and the Charity Commission.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****23. COMPARATIVE FIGURES FOR THE STATEMENT OF FINANCIAL ACTIVITIES AS REQUIRED BY FRS 102**

	Notes	Unrestricted Funds <i>General</i>	Unrestricted Funds <i>Designated and Revaluation</i>	Restricted Funds <i>Revenue grants</i>	Restricted Funds <i>Capital project</i>	Total 2020
		£	£	£	£	£
INCOME FROM						
Grants and donations	5	679,160	-	131,702	3,783,926	4,594,788
Charitable activities	2	71,238	-	-	-	71,238
Investment income	4	7,097	-	-	-	7,097
Total Incoming Resources		757,495	-	131,702	3,783,926	4,673,123
EXPENDITURE ON						
Raising funds	3	65,736	-	-	108,518	174,254
Charitable activities						
Operation of theatre and related activities	3	466,459	21,812	162,527	-	650,798
Building redevelopment project	3	-	-	-	166,612	166,612
Total Resources Expended		532,195	21,812	162,527	275,130	991,664
Net Income/(Expenditure) before Transfers		225,300	(21,812)	(30,825)	3,508,796	3,681,459
Transfer to/(from) Designated Funds	16	(120,000)	120,000	-	-	-
Net movement in funds		105,300	98,188	(30,825)	3,508,796	3,681,459
Balance at 1st April 2019		272,663	1,202,308	293,386	2,190,043	3,958,400
Balance at 31st March 2020		377,963	1,300,496	262,561	5,698,839	7,639,859