



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.

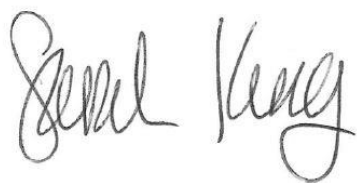
The quality of Polka's artistic output is astonishing and spans plays, story-telling, musicals, opera, dance and creative workshops. Sadly, the need for all that it offers has never been greater. School time and budgets are being squeezed, and children face an increasingly complex and challenging world, 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.

A handwritten signature in black ink, appearing to read 'Sarah King', with a stylized, cursive script.

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 Jungr'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

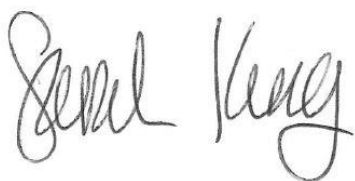
REPORT OF THE TRUSTEES

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', written in a cursive style.

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	1,150,002	2,156,324
INVESTING ACTIVITIES		
Purchase of assets	(1,249,744)	(3,724,951)
Investment income	98	3,980
Net cash (used in) investing activities	(1,249,646)	(3,720,971)
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	(63,560)	216,189
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	1,850,881	3,199,339
Cash and cash equivalents at the end of the reporting period	1,687,677	1,850,881

Analysis of cash and cash equivalents:

	2022	2021
	£	£
Cash in hand	1,687,677	1,850,881
	<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	664,273	-	664,273
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	-	1,681,084	1,681,084

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 No.	2021 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	1,050,000	950,000	19,113	7,665,366	183,089	9,867,568
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	104,958	152,000	1,580	185,358	183,089	626,985
Net book value						
At 31 March 2022	945,042	798,000	17,533	7,480,008	-	9,240,583
At 31 March 2021	962,500	817,000	17,915	6,415,622	10,315	8,223,352

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

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
Unrestricted funds	377,963	1,070,704	(519,950)	(476,259)	452,458

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

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
Revaluation reserve	1,099,691	-	(18,389)	-	1,081,302

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
	314,019	499,904	(440,822)	-	373,101
TOTAL	7,378,050	1,487,495	(731,489)	-	8,134,056

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		<u>1,070,704</u>	<u>-</u>	<u>118,043</u>	<u>1,681,084</u>	<u>2,869,831</u>
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		<u>519,950</u>	<u>21,812</u>	<u>66,585</u>	<u>315,892</u>	<u>924,239</u>
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		<u>452,458</u>	<u>1,754,943</u>	<u>314,019</u>	<u>7,064,031</u>	<u>9,585,451</u>