



POLKA CHILDREN'S THEATRE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2023

Registered Charity Number 256979

Registered Company Number 00938592

POLKA CHILDREN'S THEATRE LIMITED

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

Contents

	Page
Report of the Trustees	1 - 18
Independent Auditor's Report	19 - 23
Statement of Financial Activities	24
Balance Sheet	25
Statement of Cash Flows	26-27
Notes to the Financial Statements	28 - 47

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

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

REFERENCE AND ADMINISTRATIVE DETAILS

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

Directors and Trustees

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

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

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

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

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

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

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

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

Dominic Proctor,

Chair, Board of Trustees

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

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

Appointment of Trustees

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

Trustee Induction and Training

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

Organisation

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

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

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

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

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

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

Objectives and Activities

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

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

Strategic Objectives

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

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

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

Overview

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

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

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

Finance

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

YEAR IN REVIEW

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

Productions, Touring and Professional Development

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

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

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

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

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

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

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

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

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

POLKA CHILDREN'S THEATRE LIMITED

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31st MARCH 2023

YEAR IN REVIEW (continued)

Productions, Touring and Professional Development (continued)

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

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

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

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

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

A selection of reviews of productions from the year:

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

POLKA CHILDREN'S THEATRE LIMITED

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31st MARCH 2023

YEAR IN REVIEW (continued)

Productions, Touring and Professional Development (continued)

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

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

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

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

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

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

Creative Learning: Participation, Schools & Community

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

POLKA CHILDREN'S THEATRE LIMITED

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31st MARCH 2023

YEAR IN REVIEW (continued)

Creative Learning: Participation, Schools & Community (continued)

Community

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

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

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

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

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

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

POLKA CHILDREN'S THEATRE LIMITED

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31st MARCH 2023

YEAR IN REVIEW (continued)

Creative Learning: Participation, Schools & Community (continued)

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

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

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

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

Schools

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

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

POLKA CHILDREN'S THEATRE LIMITED

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31st MARCH 2023

YEAR IN REVIEW (continued)

Creative Learning: Participation, Schools & Community (continued)

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

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

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

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

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

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

Participation

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

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

POLKA CHILDREN'S THEATRE LIMITED

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31st MARCH 2023

YEAR IN REVIEW (continued)

Creative Learning: Participation, Schools & Community (continued)

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

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

Awards and Recognition

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

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

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

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

Environmental Sustainability

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

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

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

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

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

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

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

Organisational Resilience

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

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

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

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

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

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

Fundraising Policy

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

Statement of Trustees' Responsibilities

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

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

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

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

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

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

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

AUDITOR

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

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



Dominic Proctor, Chair

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

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

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

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

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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

Buzzacott LLP

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

Date: 26 January 2024

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

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

All income and expenditure is derived from continuing activities.

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

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

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

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

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



Dominic Proctor, Chair

Company Number: 00938592

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

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

Analysis of cash and cash equivalents:

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

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

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

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****1. ACCOUNTING POLICIES****Accounting Convention**

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

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

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

Going concern

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

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

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

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

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

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

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

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

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

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

Resources expended

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

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

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

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

Allocation of support and governance costs

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

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

The Building Redevelopment Project costs included in note 3 comprises all expenditure relating to the redevelopment of the Theatre which began in spring 2019, which includes the costs of constructing the redeveloped theatre and related professional fees, as well as fundraising costs and any expenditure relating to the temporary closure of Polka Theatre. The costs which are directly attributable to the construction of the redeveloped theatre have been capitalised in accordance with FRS 102 in the year and all other project costs are written off when they are expended.

Tangible Fixed Assets

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

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

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

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

Stocks

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

Debtors

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

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****1. ACCOUNTING POLICIES** (continued)**Cash at bank and in hand**

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

Creditors and provisions

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

Financial instruments

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

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

Pensions

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

Theatre Tax Relief

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

Taxation

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

Operating lease agreements

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

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

The reserves of the charity are as follows:

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

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

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

Critical accounting estimates and areas of judgement

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

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

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

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****2. GRANTS AND DONATIONS**

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

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

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****2. GRANTS AND DONATIONS (continued)**

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

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****2. GRANTS AND DONATIONS (continued)**

	Unrestricted	Restricted	Total 2023
	£	£	£
The Taylor Family Foundation	-	7,500	7,500
The Hugo Halkes Charitable Trust	-	4,000	4,000
Others	7,391	57,312	64,703
Sub-total	234,314	381,924	616,238
Total Sponsorship and donations	234,314	405,412	639,726
Total	850,473	430,099	1,280,572

	Unrestricted	Restricted	Total 2022
	£	£	£
Grants			
Arts Council England, London Revenue grant	570,219	-	570,219
Arts Council England, Core Uplift	10,492	-	10,492
Arts Council England, CRF2	-	199,743	199,743
London Borough of Merton Revenue grant	20,000	-	20,000
London Borough of Merton Covid grant	6,000	-	6,000
ACE RED Project grant	-	67,891	67,891
DWP RED Project grant	-	4,555	4,555
HMRC Kickstart programme	45,569	-	45,569
Subsidy Income	652,280	272,189	924,469

Sponsorship and Donations**CAPITAL**

Arts Council England	-	366,941	366,941
Greater London Authority	-	10,000	10,000
Capital Trusts and Foundations:			
The Charles Skey Charitable Trust	-	200,000	200,000
The Greenslade Family Foundation	-	80,000	80,000
The London Marathon Charitable Trust Ltd	-	85,000	85,000
Clore Duffield Foundation	-	75,000	75,000
Cockayne – Grant for the Arts	-	50,000	50,000
Christina Smith Foundation	-	50,000	50,000
The Taylor Family Foundation	-	20,000	20,000
Viridor/Beddington Community Benefit Fund	-	5,000	5,000
Grange Farm Centre Trust	-	2,000	2,000
Metropolitan Public Gardens Association	-	600	600
The Culra Charitable Trust	-	500	500
Other:			
Capital Corporate	-	5,000	5,000
Individual Giving	-	37,550	37,550
Sub-total	-	987,591	987,591

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****2. GRANTS AND DONATIONS (continued)**

	Unrestricted	Restricted	Total 2022
	£	£	£
REVENUE			
Corporate donations	4,172	5,460	9,632
Events	2,229	41,047	43,276
Individuals	59,428	-	59,428
Legacy	209,378	-	209,378
The Calleva Foundation	-	29,210	29,210
Vision Foundation	-	7,650	7,650
The Ovingdean Hall Foundation	-	4,000	4,000
John Horniman's Children's Trust	-	3,000	3,000
The Bruce Wake Charity	-	2,500	2,500
The Lucille Graham Trust	-	1,000	1,000
Music for All	-	2,000	2,000
The Vernon N Ely Charitable Settlement	10,000	-	10,000
Boshier Hinton Foundation	1,000	-	1,000
The Andor Charitable Trust	1,000	-	1,000
The TK Maxx and Homesense Foundation	500	-	500
Earl of Mornington Lodge Benevolent Fund	250	-	250
The Charles Skey Charitable Trust	-	10,000	10,000
Clore Duffield Foundation	-	7,500	7,500
The Peter Stebbings Memorial Charity	-	3,500	3,500
The Wyn and Ken Lo Memorial Foundation	-	1,000	1,000
Little Lives UK	-	1,500	1,500
The Eleanor Rathbone Charitable Trust	-	3,000	3,000
Clarion Futures	-	5,375	5,375
William Howarth Charitable Trust	-	430	430
St James's Place Charitable Foundation	-	10,000	10,000
Icon Solutions	-	12,000	12,000
The National Lottery Heritage Fund	-	4,409	4,409
D'Oyle Carte Charitable Trust	-	4,000	4,000
The Peter and Teresa Harris Charitable Trust	-	3,000	3,000
Alf and Hilda Leivers Charity Trust	-	2,500	2,500
The John Thaw Foundation	-	1,000	1,000
Unity Theatre Trust	-	800	800
Teale Charitable Trust	-	500	500
L&Q Foundation	-	6,500	6,500
The John Horseman Trust	-	5,000	5,000
J P Foundation	-	5,500	5,500
Frazer Trust	-	2,000	2,000
The Sydney Black Charitable Trust	-	500	500
The Rowan Bentall Charitable Trust	-	250	250
BBC Children in Need	-	10,000	10,000
Others	-	31,584	31,584
Sub-total	287,957	227,715	515,672
Total Sponsorship and donations	287,957	1,215,306	1,503,262
Total	940,237	1,487,495	2,427,732

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****3. INCOME FROM CHARITABLE ACTIVITIES**

	2023	2022
	£	£
Consultancy	100	2,000
Box Office	805,710	350,787
Creative Learning	136,420	68,904
Royalties, touring and co-production fees	4,680	18,048
Merchandising	42,130	12,058
Café	214,794	75,348
Lettings and hires	49,567	4,261
Theatre tax relief	99,291	35,405
	<u>1,352,692</u>	<u>566,811</u>

4. INVESTMENT INCOME

	2023	2022
	£	£
Bank interest received	3,298	98
	<u>3,298</u>	<u>98</u>

5. EXPENDITURE

	2023	2022
	£	£
Raising Funds		
Salaries and wages	122,781	99,861
Sponsorship and events	17,399	26,078
Capital project fundraising	-	21,812
	<u>140,180</u>	<u>147,751</u>
Charitable Activities		
<i>Operation of a theatre and related activities</i>		
Actors, production and Creative Learning costs	855,165	683,170
Box Office Administration costs	110,308	66,410
Café costs	186,734	72,235
Shop costs	20,190	6,070
Direct Costs	537,192	345,159
Project costs	29,352	22,580
Central and premises costs	290,419	249,473
Depreciation	360,958	232,513
Marketing	252,592	239,842
Governance costs (see below)	163,606	132,582
	<u>2,806,516</u>	<u>2,050,034</u>
<i>Building Redevelopment project</i>		
Total project costs for the year	53,412	1,355,055
Less Fundraising costs (see above)	-	(21,812)
Less Capitalised costs (see note 9)	(26,416)	(1,249,744)
	<u>26,996</u>	<u>83,499</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****5. EXPENDITURE (continued)****Governance costs**

Salaries and Wages	124,481	104,944
Audit and accountancy	17,385	14,722
Office costs	21,740	12,916
	<u>163,606</u>	<u>132,582</u>

6. NET INCOME/EXPENDITURE

	2023	2022
	£	£
This is stated after charging:		
Lease payments	44,000	44,000
Depreciation of owned fixed assets	360,958	232,513
Auditors' remuneration	17,385	14,722
	<u>422,343</u>	<u>291,235</u>

7. STAFF COSTS

	2023	2022
	£	£
Wages and Salaries	980,692	720,007
Pension contributions	25,708	15,639
Social security costs	80,935	60,481
	<u>1,087,335</u>	<u>796,127</u>

No employee earned more than £60,000 per annum (2022: none).

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

The cost of employment of Key Management Personnel amounted to £120,800 (2022: £114,734). Key Management Personnel comprise the Joint Chief Executives.

	2023	2022
	No.	No.
Average number of employees during the year		
Senior Management Personnel	2	2
Directors and performers	6	4
Sales, administration and others	25	22
	<u>33</u>	<u>28</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****8. INTEREST PAYABLE**

	2023	2022
	£	£
Mortgage loan interest	5,543	6,446
CBILS loan interest	<u>2,590</u>	<u>3,003</u>

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Short leasehold land and buildings £	Leasehold Improve- ments	Building Redeve- lopment Project	Plant and Machinery £	Total £
Cost						
At 1 April 2022	1,050,000	950,000	19,113	7,665,366	183,089	9,867,568
Additions	-	-	-	26,415	35,999	62,414
At 31 March 2023	<u>1,050,000</u>	<u>950,000</u>	<u>19,113</u>	<u>7,691,781</u>	<u>219,088</u>	<u>9,929,982</u>
Depreciation						
At 1 April 2022	104,958	152,000	1,580	185,358	183,089	626,985
Charge for the year	21,000	19,000	382	319,076	1,500	360,958
At 31 March 2023	<u>125,958</u>	<u>171,000</u>	<u>1,962</u>	<u>504,434</u>	<u>184,589</u>	<u>987,943</u>
Net book value						
At 31 March 2023	<u>924,042</u>	<u>779,000</u>	<u>17,151</u>	<u>7,187,347</u>	<u>34,499</u>	<u>8,942,039</u>
At 31 March 2022	<u>945,042</u>	<u>798,000</u>	<u>17,533</u>	<u>7,480,008</u>	<u>-</u>	<u>9,240,583</u>

10. STOCKS

	2023	2022
	£	£
Books	2,447	1,010
Café	2,343	1,394
Shop	<u>2,064</u>	<u>2,481</u>
	<u>6,854</u>	<u>4,885</u>

11. DEBTORS

	2023	2022
	£	£
Trade debtors	37,121	23,845
Prepayments and accrued income	251,635	92,481
Other debtors	<u>1,550</u>	<u>2,567</u>
	<u>290,306</u>	<u>118,893</u>

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Mortgage loan (secured)	35,201	33,111
Other taxes and social security costs	21,171	6,122
Trade creditors	173,645	171,910
Accruals and deferred income	251,052	183,231
Other creditors	20,190	25,398
CBILS loan	-	59,955
	<u>501,259</u>	<u>479,727</u>
Deferred income		
Balance at 1 April	96,819	12,150
Deferred income released in the year	(96,819)	-
Resources deferred in the year	188,542	84,669
Deferred income at 31 March	<u>188,542</u>	<u>96,819</u>

Included within deferred income is an amount of £148,763 (2022 - £73,310) relating to ticket sales received in advance for productions that will take place in 2023/24.

13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2023	2022
	£	£
Mortgage loan (secured)	66,540	108,444
CBILS loan	-	165,059
	<u>66,540</u>	<u>273,503</u>
Repayable between one and five years	<u>66,540</u>	<u>273,503</u>
	<u>66,540</u>	<u>273,503</u>

As part of Polka's mitigation of risk during Covid-19, a £250,000 CBILS loan was taken out with Barclays. The period of the loan was for 6 years (72 months) from 21st September 2020. The terms of the loan included 2.99% floating rate interest and a capital repayment holiday for the first 12 months. During the year, 100% of the loan was repaid.

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

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

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****14. GENERAL FUND**

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

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
Unrestricted funds	452,458	1,507,146	(1,116,716)	(209,368)	633,520

15. REVALUATION RESERVE

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

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

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
Revaluation reserve	1,081,302	-	(18,389)	-	1,062,913

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****16. DESIGNATED RESERVES**

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

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

The Capital Project fund is General Funds designated by the Trustees for use on the building redevelopment.

The Anne Ross Legacy fund was created following receipt of a one-off legacy and will be used to support creation of productions during the period 2022-24.

The Chan Yin Chuen Memorial Charitable Foundation fund was set up following a donation by this supporter towards general running costs across calendar year 2023.

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
Equipment	27,382	-	(3,423)	-	23,959
Capital project	234,992	-	-	-	234,992
ACE fund	120,000	-	(120,000)	-	-
Re-opening fund	291,267	-	(291,267)	-	-
Anne Ross Legacy fund	-	-	-	209,368	209,368
	<u>673,641</u>	<u>-</u>	<u>(414,690)</u>	<u>209,368</u>	<u>468,319</u>

17. RESTRICTED FUNDS

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

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****17. RESTRICTED FUNDS (CONTINUED)**

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

Theatre Redevelopment Fund	For use during the Future Polka redevelopment project, begun in 2019 and completed in 2021/22.
Original Theatre Fund	Relating to the original building project to create the theatre in 1979.
Vehicle Fund	For use against the depreciating cost of the Polka van.
Window Replacement Fund	For use against replacement of venue windows.

Restricted project funds:

Write Here Write Now

Freefalling

Access

RED

Curtain Up!

Choir

Take Your Seats

Core

Mapping

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

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****RESTRICTED FUNDS (CONTINUED)**

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
CAPITAL PROJECT FUND					
Theatre Redevelopment Fund	7,064,031	987,591	(290,668)	-	7,760,955
	7,064,031	987,591	(290,668)	-	7,760,955
 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
	7,064,031	987,591	(290,668)	-	7,760,955
 OTHER RESTRICTED FUNDS					
Original Theatre Fund	251,736	-	(8,975)	-	242,761
Write Here, Write Now	29,283	25,750	(35,283)	-	19,750
Freefalling	20,500	60,307	(33,877)	-	46,930
Polka40 Resound	2,500	4,409	(6,909)	-	-
Access	-	52,196	(12,036)	-	40,160
RED	5,000	72,446	(77,446)	-	-
Curtain Up	5,000	17,796	(18,796)	-	4,000
Choir	-	10,750	(1,250)	-	9,500
Maanika and the Wolf	-	5,460	(5,460)	-	-
Big Bash	-	41,047	(41,047)	-	-
Culture Recovery fund	-	199,743	(199,743)	-	-
Take Your Seats	-	10,000	-	-	10,000
	314,019	499,904	(440,822)	-	373,101
 TOTAL	7,378,050	1,487,495	(731,489)	-	8,134,056

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)**

2022	Fixed Assets	Net Current Assets	Creditors > 1 year	Total
	£	£	£	£
Unrestricted Funds				
General Fund	300,602	606,420	(273,503)	633,519
Revaluation Reserve	1,062,913	-	-	1,062,913
Designated Funds	23,959	444,360	-	468,319
Restricted Funds				
Capital Project Fund	7,480,008	280,947	-	7,760,955
Other Restricted Funds	373,101	-	-	373,101
	<u>9,240,583</u>	<u>1,331,727</u>	<u>(273,503)</u>	<u>10,298,807</u>

19. FINANCIAL COMMITMENTS

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

	2023	2022
	£	£
Land & Buildings		
Due in less than 1 year	44,000	44,000
Due in between 2 and 5 years	136,340	176,000
Due in more than 5 years	-	4,340
	<u>180,340</u>	<u>224,340</u>

20. LEGAL STATUS

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

21. TAXATION

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

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

22. RELATED PARTIES

Trustees made donations in the year totalling £14,104 (2022: £2,272). Trustees pay the normal admission charge when they attend performances and other events.

Income received from connected entities totalled £Nil (2022: £491).

During the year a donation of £4,000 was received from The Hugo Halkes Charitable Trust, of which Nigel Halkes is a common trustee. In addition, a payment of £960 for Audio Description services was made to VocalEyes, of which Lynette Shanbury is a trustee.

Following her resignation as a Trustee on 4 December 2020, Katy Manuel was employed by the charity as a Marketing Consultant. The appointment was approved by the Board of Trustees and the Charity Commission. Following completion of this paid consultancy and a 6 month gap, Katy rejoined the Board in September 2022.

There were no further related party transactions within the year.

POLKA CHILDREN'S THEATRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2023****23. COMPARATIVE FIGURES FOR THE STATEMENT OF FINANCIAL ACTIVITIES AS REQUIRED BY FRS 102**

	Notes	Unrestricted Funds <i>General</i> £	Unrestricted Funds <i>Designated & Revaluation</i> £	Restricted Funds <i>Revenue grants</i> £	Restricted Funds <i>Capital project</i> £	Total 2022 £
INCOME FROM						
Grants and donations	5	940,237	-	499,904	987,591	2,427,732
Charitable activities	2	566,811	-	-	-	566,811
Investment income	4	98	-	-	-	98
Total Income		<u>1,507,146</u>	<u>-</u>	<u>499,904</u>	<u>987,591</u>	<u>2,994,641</u>
EXPENDITURE ON						
Raising funds	3	125,939	-	-	21,812	147,751
Charitable activities						
Operation of theatre and related activities	3	990,777	433,079	440,822	185,356	2,050,034
Building redevelopment project	3	-	-	-	83,499	83,499
Total Expenditure		<u>1,116,716</u>	<u>433,079</u>	<u>440,822</u>	<u>290,667</u>	<u>2,281,284</u>
Net Income/(Expenditure)		390,430	(433,079)	59,082	696,924	713,357
Transfers between funds	16	(209,368)	209,368	-	-	-
Net movement in funds		<u>181,062</u>	<u>(223,711)</u>	<u>59,082</u>	<u>696,924</u>	<u>713,357</u>
Balance at 1st April 2021		452,458	1,754,943	314,019	7,064,031	9,585,451
Balance at 31st March 2022		<u>633,520</u>	<u>1,531,232</u>	<u>373,101</u>	<u>7,760,955</u>	<u>10,298,808</u>