

THE PALACE THEATRE CHARITY

Charity Registration No 263658

ANNUAL REPORT & ACCOUNTS

YEAR ENDED 31st MARCH 2021

THE PALACE THEATRE CHARITY

Charity Registration No 263658

Year Ended 31st March 2021

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THE PALACE THEATRE CHARITY

Charity Registration No 263658

Year Ended 31st March 2021

Trustees Annual Report

The Trustee is pleased to present their report and accounts for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the Trust's governing document, the Charities Act 2011 and the Statement of Recommended Practice, Charities SORP (FRS102).

Objectives and activities

The Palace Theatre was conveyed to the Council by Mrs. G.E.Mouillot in a deed of gift dated 31st December 1942, as an expression of her interest and goodwill towards the then County Borough Council, through a donation to the charity.

The Palace Theatre Charity owns the Palace Theatre and meets landlord's expenses such as building repair and maintenance. It is not involved in the day to day operation of the theatre which is in the hands of the Borough Council, who contracted out this work to HQ theatres from 1st August 2006 for a period of 30 years.

Over the years 1980/81 – 1982/83 the theatre was extended to include a large entrance area incorporating a bar and the new Dixon Studio. This extension remains in the name of the Borough Council and was not conveyed to the Palace Theatre Charity.

Capital expenditure incurred on the theatre is met in the first instance by the Borough Council if the trust has no funds and recovered from the Trust from any surplus which may arise on the Trust's revenue account over the ensuing years.

Administrative services are provided to the Trust by the Borough Council, for which a charge is made.

The charity is administered and maintained for the objects set out in its governing document by the Borough Council, which meets any deficit incurred each year on operating the facility.

The Trustees in making decisions about the Trust make those decisions with due regard to the objects of the Trust.

In addition they have due regard to their legal duty to carry out the Trust's charitable purposes for the Public Benefit and the Charity Commissions' guidance thereon.

Achievements and performance

The Palace Theatre is currently maintained to allow the purposes in its Governing document set out below to take place during the financial year 2020-21.

Due to Government restrictions in response to the Coronavirus pandemic The Palace Theatre was unable to open for much of the year being reported on.

The Trustees have worked with HQ Theatres and Council officers throughout the year to respond to Government guidelines appropriately with the aim to reopen as soon as it is practicably possible.

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In recognition of the difficult environment in which theatre companies were operating Southend Borough Council took the decision to waive the annual rental contribution payable by HQ Theatres for the period April 2020 to March 2021. This has had no impact on the Trusts financial position as the operating deficit, which would normally be reduced by the rental income, is funded in full by a donation from the Southend Borough Council General Fund.

The Trustee considers that, under difficult circumstances, the performance of the charity during the year was satisfactory.

Plans for the future

From 17th May 2021, according to the roadmap issued by the UK government, indoor theatres can run at 50% capacity or with 1000 guests, whichever is lesser. These restrictions are for a limited time and from 19th July 2021, all theatres will be allowed to function at full capacity, according to the government roadmap.

The Trustees look forward to welcoming back patrons of the Palace Theatre to a packed entertainment schedule.

Financial review

The cost of maintaining the Palace Theatre exceeded the net income and the operating deficit of £69,521 (2020 £73,240) has been funded from the Southend Borough Council General Fund.

Reserves Policy

The trust does not need to hold reserves as any deficit which arises on the operation of the trust, should the trust have no funds to meet it, is funded by Southend on Sea Borough Council, which is sole trustee of the trust.

Going concern

The Palace Theatre Charity meets the definition of a public benefit entity under FRS102. There are no material uncertainties about the charity's ability to continue as a going concern.

Structure, governance and management

Governing documents

The Trust's Governing document is in the form of a deed signed on 14th April 1943.

Trustee recruitment and training

Southend Borough Council elected members are corporate Trustees. Therefore Councillors once elected become a corporate Trustee of the Trust.

Risk Assessment

The borough council, when carrying out risk assessments for its own activities, includes within the assessment the activities of the trust, so any major risks applicable to the trust are covered by the council arranging appropriate insurance or having in place strategies to cover other contingencies.

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Reference and administrative details

Trustees

Southend-on-Sea Borough Council

Secretary/Treasurer to the Trust

Southend-on-Sea Borough Council

Address

Civic Centre
Victoria Avenue
Southend-on-Sea
Essex SS2 6EP

Statutory Auditors

TC Group
The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN

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Statement of Trustees' Responsibilities

The Trustees are responsible for preparing accounts which give a true and fair view of the state of affairs of the Charity as at the end of each financial year and the income and expenditure of the Charity for that period.

In preparing those accounts, the Trustees are required to:

- Select suitable and applicable accounting policies and then apply them consistently
- Make judgement and estimates that are reasonable and prudent
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the organisation will continue in business

The Trustees are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with charity legislation and the relevant governing instruments. They are responsible for safeguarding the Charity's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results

The Trust's financial results are as per the annexed accounts.

By order of the Trustees

Signed



Joe Chesterton, Executive Director (Finance & Resources)

Date 18th March 2022

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Year Ended 31st March 2021

Independent Examiner's Report

I report on the accounts of the Trust for the year ended 31st March 2021, which are set out on pages 6 to 11.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

TC Group

Mark Cummins FCCA

For and on behalf of TC Group

Office: Steyning

Dated: 23 March 2022

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Year Ended 31st March 2021

Statement of Financial Activities

		2020/21	2020/21	2020/21	2019/20
		Unrestricted	Endowment	Total	Total
		Funds	Funds	Funds	Funds
	Note	£	£	£	£
Income From					
Donations	3	34,418	35,103	69,521	73,240
Investments	4	3	-	3	5
Charitable Activities		-	-	-	6,250
Total Income		34,421	35,103	69,524	79,495
Expenditure on					
Charitable activities	5	34,421	47,606	82,027	84,960
Total expenditure		34,421	47,606	82,027	84,960
Net income/expenditure and net movement in funds		-	(12,503)	(12,503)	(5,465)
Reconciliation of Funds					
Total funds brought forward		-	1,186,539	1,186,539	1,192,004
Total funds carried forward		-	1,174,036	1,174,036	1,186,539

All income and gains for the year are recognised on the statement of financial activities. All the Charity's activities are classified as continuing.

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Balance Sheet

	Note	2020/21 Total Funds £	2019/20 Total Funds £
Fixed Assets			
Tangible Assets	6	1,174,037	1,186,539
Total Fixed Assets		<u>1,174,037</u>	<u>1,186,539</u>
Current Assets			
Cash at bank and in hand		620	630
Total Current Assets		<u>620</u>	<u>630</u>
Liabilities			
Creditors: Amounts falling due within one year	7	(620)	(630)
Net current assets/(liabilities)		<u>-</u>	<u>-</u>
Total assets less current liabilities		<u>1,174,037</u>	<u>1,186,539</u>
The funds of the charity			
Endowment funds	8	1,174,037	1,186,539
Total charity funds		<u>1,174,037</u>	<u>1,186,539</u>

Approved by the Trustee and signed on its behalf by an authorised signatory.

Signed



Joe Chesterton, Executive Director (Finance & Resources)

Date 18th March 2022

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Notes to the accounts

Note 1 Legal Status

The Palace Theatre Charity is an unincorporated charity registered in England and Wales (charity number 263658).

Note 2 Accounting Policies

Basis of preparation

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), and the Charities Act 2011.

The Palace Theatre Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). There are no material uncertainties about the charity's ability to continue as a going concern given the continued support of Southend Borough Council.

Cash Flow Statement

In accordance with the Charities SORP (FRS 102) the charity is claiming exemption from the requirement to prepare a cash flow statement on account of it being a small charity.

Income

Donations and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

Investment income is accounted for when receivable.

Expenditure

Expenditure is accounted for on an accruals basis exclusive of the element of VAT which is recoverable by Southend Borough Council in accordance with VAT Notice 749 para 7.5.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Tangible fixed assets and depreciation

Tangible fixed assets are capitalised at cost. Land is not depreciated. Buildings & equipment are being depreciated on a straight line basis at various rates.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments. No separate bank account is maintained by the Trust, therefore all income and expenditure passes through the Borough Council's account, and its cash balances are held within the Borough Council's general bank account.

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Creditors and provisions

Creditors and provisions are recognised where the charity has present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The trustees do not consider that there are any critical estimates or areas of judgement that need to be brought to the attention of the readers of the financial statements.

Note 3 Income from Donations

Donations of £33,309 (2020: £33,106) were from Southend Borough Council as the funding required to make up the operational deficit for the year. This donation is equitably apportioned across all operational trust expenditure.

Donations of £35,103 (2020: £40,134) to the endowment fund were from Southend Borough Council to fund the ongoing work to install new power supply equipment.

Note 4 Income from Investments

Represents interest from cash balances held within Southend Borough Council.

Note 5 Cost of Charitable Activities

	2021	2020
	£	£
Employees	1,109	-
Building/Ground Maintenance	13,449	21,467
Insurance	18,900	16,950
Depreciation	47,606	45,599
Governance costs	620	630
Administration	343	314
	82,027	84,960

The cost of buildings maintenance for the year is significantly higher than previous years as extensive work was carried out to the exterior brick work of the building to ensure its continued usefulness.

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The support costs incurred are the administration services provided by Southend Borough Council and governance costs. Total support costs for the year were £963 (2020: £944).

Governance costs comprise solely of fees paid to the auditors. During the year £620 (2020: £630) was paid to the auditors in respect of audit services.

Employee costs relate to employees of the Council.

No staff are remunerated over £60,000 in the year.

The charity is managed by Southend Borough Council and doesn't have any key management personnel.

Note 6 Fixed Assets

	Freehold Land & Buildings £	Equipment £	Total £
Asset cost, valuation or revalued amount			
Balance brought forward @ 01/04/20	942,239	372,661	1,314,900
Additions	-	35,103	35,103
Balance carried forward @ 31/03/21	942,239	407,764	1,350,003
Accumulated depreciation and impairment reviews			
Balance brought forward @ 01/04/20	20,674	107,687	128,361
Charge for the year	20,674	26,931	47,605
Balance carried forward @ 31/03/21	41,348	134,618	175,966
Net Book Value			
Brought forward @ 01/04/20	921,565	264,974	1,186,539
Carried forward @ 31/03/21	900,891	273,146	1,174,037

Note 7 Creditors

Amounts falling due within one year

	2021 £	2020 £
Other Creditors	620	630

Note 8 Endowment fund

The endowment fund arose from the donation of The Palace Theatre.

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Note 9 Trustee remuneration

No trustee was paid in respect of their services as a trustee in 2020 or 2021 and no expenditure was reimbursed.

Note 10 Related Party Transactions

During the year the trustee (Southend Borough Council) donated £68,412 (2020: £73,240) to the Trust in respect of the funding required to cover the operational deficit for the year. Southend Borough Council collected a further £3 (2020: £6,255) on behalf of the Trust in respect of investment income and income generated from facilities hire. The Trust paid the Council £33,801 in respect of operating costs for the year (2020: £39,361).

Note 11 Comparative Funds

		2019/20	2019/20	2019/20
		Unrestricted	Endowment	Total
		Funds	Funds	Funds
	Note	£	£	£
Income From				
Donations	3	33,106	40,134	73,240
Investments	4	5	-	5
Charitable Activities		6,250	-	6,250
Total Income		39,361	40,134	79,495
Expenditure on				
Charitable activities	5	39,361	45,599	84,960
Total expenditure		39,361	45,599	84,960
Net income/expenditure and net movement in funds		-	(5,465)	(5,465)

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