

# **THE PALACE THEATRE CHARITY**

Charity Registration No 263658

## **ANNUAL REPORT & ACCOUNTS**

**YEAR ENDED 31<sup>st</sup> MARCH 2022**

# **THE PALACE THEATRE CHARITY**

Charity Registration No 263658

Year Ended 31<sup>st</sup> March 2022

## **Contents**

Trustees Annual Report	1
Statement of Trustees' Responsibilities	4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the accounts	8

# **THE PALACE THEATRE CHARITY**

Charity Registration No 263658

Year Ended 31<sup>st</sup> March 2022

## **Trustees Annual Report**

The Trustee is pleased to present their report and accounts for the year ended 31 March 2022.

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 City 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 City Council and was not conveyed to the Palace Theatre Charity.

Capital expenditure incurred on the theatre is met in the first instance by the City 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 City Council, for which a charge is made.

The charity is administered and maintained for the objects set out in its governing document by the City 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 2021-22.

From 17<sup>th</sup> May 2021 indoor theatres could run at 50% capacity or with 1000 guests, whichever is lesser, as per the roadmap issued by the UK government. These restrictions were for a limited time and from 19<sup>th</sup> July 2021 all theatres were allowed to function at full capacity.

# **THE PALACE THEATRE CHARITY**

Charity Registration No 263658

Year Ended 31<sup>st</sup> March 2022

Due to the continuing difficult environment in which theatre companies were operating Southend City Council took the decision to waive the annual rental contribution payable by HQ Theatres for the period April 2021 to March 2022, as they had done in the previous financial year. 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 City Council General Fund.

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

## **Plans for the future**

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

## **Financial review**

The cost of maintaining the Palace Theatre exceeded the net income and the operating deficit of £53,124 (2021 £69,521) has been funded from the Southend City 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 City 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 14<sup>th</sup> April 1943.

### ***Trustee recruitment and training***

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

### ***Risk Assessment***

The city 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.

# **THE PALACE THEATRE CHARITY**

Charity Registration No 263658

Year Ended 31<sup>st</sup> March 2022

## **Reference and administrative details**

### ***Trustees***

Southend-on-Sea City Council

### ***Secretary/Treasurer to the Trust***

Southend-on-Sea City 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

# THE PALACE THEATRE CHARITY

Charity Registration No 263658

Year Ended 31<sup>st</sup> March 2022

## 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

*J Chesterton*

J Chesterton (Mar 12, 2024 08:06 GMT)

Joe Chesterton, Executive Director (Finance & Resources)

Date Mar 12, 2024

# **THE PALACE THEATRE CHARITY**

Charity Registration No 263658

Year Ended 31<sup>st</sup> March 2022

## **Independent Examiner's Report**

I report on the accounts of the Trust for the year ended 31<sup>st</sup> March 2022, 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.

### **Mark Cummins FCCA**

For and on behalf of TC Group

Office: Steyning, West Sussex

Dated:

# THE PALACE THEATRE CHARITY

Charity Registration No 263658

Year Ended 31<sup>st</sup> March 2022

## Statement of Financial Activities

		2021/22	2021/22	2021/22	2020/21
		Unrestricted	Endowment	Total	Total
		Funds	Funds	Funds	Funds
	Note	£	£	£	£
<b>Income From</b>					
Donations	3	53,124	-	53,124	69,521
Investments	4	1	-	1	4
Charitable Activities		-	-	-	-
Total Income		53,125	-	53,125	69,525
<b>Expenditure on</b>					
Charitable activities	5	53,125	49,361	102,486	82,027
Total expenditure		53,125	49,361	102,486	82,027
Net income/expenditure and net movement in funds		-	(49,361)	(49,361)	(12,502)
<b>Reconciliation of Funds</b>					
Total funds brought forward		-	1,174,037	1,174,037	1,186,539
Total funds carried forward		-	1,124,676	1,124,676	1,174,037

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

# THE PALACE THEATRE CHARITY

Charity Registration No 263658

Year Ended 31<sup>st</sup> March 2022

## Balance Sheet

	Note	2021/22 Total Funds £	2020/21 Total Funds £
<b>Fixed Assets</b>			
Tangible Assets		1,124,677	1,174,037
Total Fixed Assets		<u>1,124,677</u>	<u>1,174,037</u>
<b>Current Assets</b>			
Cash at bank and in hand		630	620
Total Current Assets		<u>630</u>	<u>620</u>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	7	(630)	(620)
Net current assets/(liabilities)		<u>-</u>	<u>-</u>
Total assets less current liabilities		<u><u>1,124,677</u></u>	<u><u>1,174,037</u></u>
<b>The funds of the charity</b>			
Endowment funds	8	1,124,677	1,174,037
Total charity funds		<u><u>1,124,677</u></u>	<u><u>1,174,037</u></u>

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

Signed

*J Chesterton*

J Chesterton (Mar 12, 2024 08:06 GMT)

Joe Chesterton, Executive Director (Finance & Resources)

Date Mar 12, 2024

# THE PALACE THEATRE CHARITY

Charity Registration No 263658

Year Ended 31<sup>st</sup> March 2022

## 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 City 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 City 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 City Council's account, and its cash balances are held within the City Council's general bank account.

# THE PALACE THEATRE CHARITY

Charity Registration No 263658

Year Ended 31<sup>st</sup> March 2022

## ***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 £53,124 (2021: £33,309) were from Southend City Council as the funding required to make up the operational deficit for the year. This donation is equitably apportioned across all operational trust expenditure.

## **Note 4 Income from Investments**

Represents interest from cash balances held within Southend City Council.

## **Note 5 Cost of Charitable Activities**

	2022	2021
	£	£
Employees	-	1,109
Building/Ground Maintenance	32,130	13,449
Insurance	20,000	18,900
Depreciation	49,361	47,606
Governance costs	630	620
Administration	365	343
	<b>102,486</b>	<b>82,027</b>

Building Maintenance costs relate to minor repair works to both the interior and exterior of the building and the investigation of water leaks in the basement.

The support costs incurred are the administration services provided by Southend City Council and governance costs. Total support costs for the year were £995 (2021: £963).

# THE PALACE THEATRE CHARITY

Charity Registration No 263658

Year Ended 31<sup>st</sup> March 2022

Governance costs comprise solely of fees paid to the auditors. During the year £630 (2021: £620) 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 City Council and doesn't have any key management personnel.

## Note 6 Fixed Assets

	Freehold Land & Buildings £	Equipment £	Total £
<b>Asset cost, valuation or revalued amount</b>			
Balance brought forward @ 01/04/21	942,239	407,764	1,350,003
Additions	-	-	-
<b>Balance carried forward @ 31/03/22</b>	<b>942,239</b>	<b>407,764</b>	<b>1,350,003</b>
<b>Accumulated depreciation and impairment reviews</b>			
Balance brought forward @ 01/04/21	41,348	134,618	175,966
Charge for the year	20,674	28,686	49,360
<b>Balance carried forward @ 31/03/22</b>	<b>62,022</b>	<b>163,304</b>	<b>225,326</b>
<b>Net Book Value</b>			
Brought forward @ 01/04/21	900,891	273,146	1,174,037
<b>Carried forward @ 31/03/22</b>	<b>880,217</b>	<b>244,460</b>	<b>1,124,677</b>

## Note 7 Creditors

Amounts falling due within one year

	2022 £	2021 £
Other Creditors	630	620

## Note 8 Endowment fund

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

# THE PALACE THEATRE CHARITY

Charity Registration No 263658

Year Ended 31<sup>st</sup> March 2022

## Note 9 Trustee remuneration

No trustee was paid in respect of their services as a trustee in 2021 or 2022 and no expenditure was reimbursed.

## Note 10 Related Party Transactions

During the year the trustee (Southend City Council) donated £53,124 (2021: £69,521) to the Trust in respect of the funding required to cover the operational deficit for the year. Southend City Council collected a further £1 (2021: £4) on behalf of the Trust in respect of investment income and income generated from facilities hire. The Trust paid the Council £52,495 in respect of operating costs for the year (2021: £33,801).

## Note 11 Comparative Funds

		2020/21	2020/21	2020/21
		Unrestricted	Endowment	Total
		Funds	Funds	Funds
	Note	£	£	£
<b>Income From</b>				
Donations	3	34,418	35,103	69,521
Investments	4	3	-	3
Charitable Activities		-	-	-
Total Income		34,421	35,103	69,524
<b>Expenditure on</b>				
Charitable activities	5	34,421	47,606	82,027
Total expenditure		34,421	47,606	82,027
Net income/expenditure and net movement in funds		-	(12,503)	(12,503)

# 150 Palace Theatre Charity 2021-22

Final Audit Report

2024-03-12

Created:	2024-03-11
By:	Elizabeth Anslow (elizabethanslow@southend.gov.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAAOkVvjKqStz9UdhE9xD3OGtTF4xVKJ-V

## "150 Palace Theatre Charity 2021-22" History

-  Document created by Elizabeth Anslow (elizabethanslow@southend.gov.uk)  
2024-03-11 - 4:08:11 PM GMT- IP address: 2.24.143.126
-  Document emailed to joechesterton@southend.gov.uk for signature  
2024-03-11 - 4:09:05 PM GMT
-  Email viewed by joechesterton@southend.gov.uk  
2024-03-12 - 8:06:11 AM GMT- IP address: 104.47.11.62
-  Signer joechesterton@southend.gov.uk entered name at signing as J Chesterton  
2024-03-12 - 8:06:32 AM GMT- IP address: 86.153.200.166
-  Document e-signed by J Chesterton (joechesterton@southend.gov.uk)  
Signature Date: 2024-03-12 - 8:06:34 AM GMT - Time Source: server- IP address: 86.153.200.166
-  Agreement completed.  
2024-03-12 - 8:06:34 AM GMT