

THE PALACE THEATRE CHARITY

Charity Registration No 263658

ANNUAL REPORT & ACCOUNTS

YEAR ENDED 31st MARCH 2023

THE PALACE THEATRE CHARITY

Charity Registration No 263658

Year Ended 31st March 2023

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THE PALACE THEATRE CHARITY

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Year Ended 31st March 2023

Trustees Annual Report

The Trustee is pleased to present their report and accounts for the year ended 31 March 2023.

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 2022-23.

The Trustee considers that the performance of the charity during the year was satisfactory.

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Plans for the future

The Trustees intend to continue with the current activity and maintain the standards of the Palace Theatre Charity.

Financial review

The cost of maintaining the Palace Theatre exceeded the net income and the operating deficit of £48,087 (2022 £53,124) 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 14th 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.

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

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Year Ended 31st March 2023

Statutory Auditors

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

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 (Mar 14, 2024 17:19 GMT)

Joe Chesterton, Executive Director (Finance & Resources)

Date Mar 14, 2024

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Independent Examiner's Report

I report on the accounts of the Trust for the year ended 31st March 2023, 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, West Sussex

Dated: 15 March 2024.

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Year Ended 31st March 2023

Statement of Financial Activities

		2022/23	2022/23	2022/23	2021/22
		Unrestricted	Endowment	Total	Total
		Funds	Funds	Funds	Funds
	Note	£	£	£	£
Income From					
Donations	3	48,087	-	48,087	53,124
Investments	4	13	-	13	1
Charitable Activities		12,500	-	12,500	-
Total Income		60,600	-	60,600	53,125
Expenditure on					
Charitable activities	5	60,600	49,360	109,960	102,486
Total expenditure		60,600	49,360	109,960	102,486
Net income/expenditure and net movement in funds		-	(49,360)	(49,360)	(49,361)
Reconciliation of Funds					
Total funds brought forward		-	1,124,676	1,124,676	1,174,037
Total funds carried forward		-	1,075,316	1,075,316	1,124,676

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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Year Ended 31st March 2023

Balance Sheet

		2022/23	2021/22
		Total	Total
		Funds	Funds
		£	£
Fixed Assets			
Tangible Assets	Note 6	1,075,316	1,124,676
Total Fixed Assets		1,075,316	1,124,676
Current Assets			
Cash at bank and in hand		660	630
Total Current Assets		660	630
Liabilities			
Creditors: Amounts falling due within one year	7	(660)	(630)
Net current assets/(liabilities)		-	-
Total assets less current liabilities		1,075,316	1,124,676
The funds of the charity			
Endowment funds	8	1,075,316	1,124,676
Total charity funds		1,075,316	1,124,676

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

Signed

J Chesterton

J Chesterton (Mar 14, 2024 17:19 GMT)

Joe Chesterton, Executive Director (Finance & Resources)

Date Mar 14, 2024

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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 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.

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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 £48,087 (2022: £53,124) 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

	2023	2022
	£	£
Building/Ground Maintenance	36,599	32,130
Insurance	22,900	20,000
Depreciation	49,360	49,361
Governance costs	660	630
Administration	441	365
	<u>109,960</u>	<u>102,486</u>

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 £1,101 (2022: £995).

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Governance costs comprise solely of fees paid to the auditors. During the year £660 (2022: £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 City 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 @ 01/04/22	942,239	407,764	1,350,003
Additions	-	-	-
Balance carried forward @ 31/03/23	942,239	407,764	1,350,003
Accumulated depreciation and impairment reviews			
Balance brought forward @ 01/04/22	62,022	163,305	225,327
Charge for the year	20,674	28,686	49,360
Balance carried forward @ 31/03/23	82,696	191,991	274,687
Net Book Value			
Brought forward @ 01/04/22	880,217	244,459	1,124,676
Carried forward @ 31/03/23	859,543	215,773	1,075,316

Note 7 Creditors

Amounts falling due within one year

	2023 £	2022 £
Other Creditors	660	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 2022 or 2023 and no expenditure was reimbursed.

Note 10 Related Party Transactions

During the year the trustee (Southend City Council) donated £48,087 (2022: £53,124) to the Trust in respect of the funding required to cover the operational deficit for the year. Southend City Council collected a further £13 (2022: £1) on behalf of the Trust in respect of investment income and income generated from facilities hire. The Trust paid the Council £59,939 in respect of operating costs for the year (2022: £52,495).

Note 11 Comparative Funds

		2021/22 Unrestricted Funds	2021/22 Endowment Funds	2021/22 Total Funds
	Note	£	£	£
Income From				
Donations	3	53,124	-	53,124
Investments	4	1	-	1
Charitable Activities		-	-	-
Total Income		53,125	-	53,125
Expenditure on				
Charitable activities	5	53,125	49,361	102,486
Total expenditure		53,125	49,361	102,486
Net income/expenditure and net movement in funds		-	(49,361)	(49,361)