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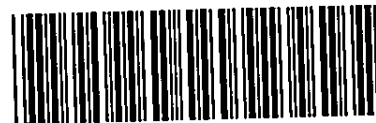
POLKA CHILDREN'S THEATRE LIMITED

ACCOUNTS

FOR THE YEAR ENDED

31ST MARCH 2013

WEDNESDAY



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COMPANIES HOUSE

POLKA CHILDREN'S THEATRE LIMITED

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST MARCH 2013

The trustees are pleased to present their report together with the financial statements of the charitable company for the year ended 31st March 2013

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number:	256979
Company Number:	00938592
Company Secretary	Stephen Midlane
Principal Office:	240 The Broadway, Wimbledon, London SW19 1SB
Auditors	Knox Cropper, 8/9 Well Court, London EC4M 9DN
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 trustees serving during the year ended 31st March 2013 were as follows.

Chair:	Paul Windsor (resigned 26 th April 2012) Sarah King (appointed 26 th April 2012)
	Mairi Brewis (appointed 26 th April 2012) Harry Cowd (resigned 26 th April 2012) Vivienne Creevey (appointed 10 th July 2012) Belinda Eriksson (resigned 6 th February 2013) Jamila Gavin (resigned 26 th April 2012) Sally Goldsworthy Punita Hossain (appointed 10 th July 2012) Arnie Isaacson (resigned 10 th July 2012) Lucy Kerbel (appointed 7 th November 2012) Anne Millman Jane Moorman (appointed 6 th February 2013) Nikki Morgan Oonagh Moulton Bruno Obasi (appointed 10 th July 2012) David Shriver Tony Warner (resigned 10 th July 2012)

POLKA CHILDREN'S THEATRE LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH 2013

A VIEW FROM THE CHAIR

It gives me great pleasure to introduce my first Annual Report as the new Chair of the Board of Trustees. Faced with tough funding cuts, 2012-13 has been a year of change and adjustment for Polka, as we prepare for the significant challenges and exciting opportunities that lie ahead, using the power of performance to develop the imagination and creative potential in children - whatever their background or ability.

I was appointed Chair in May 2012, along with Mairi Brewis, Lucy Kerbel, Punita Hossain Vivienne Creevey, Jane Moorman and Bruno Obasi (Treasurer) as new Trustees. We join a highly-skilled Board of 12 members, each with a valuable contribution to make to the future development of Polka. I am immensely grateful for the hard work and experience of our Trustees, who all give their time freely, but in particular to Paul Windsor, Harry Cowd, Belinda Eriksson, Jamila Gavin, Arnie Isaacson and Tony Warner who resigned this year.

There has been much to celebrate in 2012-13. We have enjoyed a record year at the Box Office with our most financially successful winter season ever. We have commissioned cutting-edge new work and our Creative Learning and Community Engagement programme extends Polka's reach across London and the South East, whilst Polka productions have been enjoyed by children from Sydney to Istanbul; all of which means that our work has reached literally hundreds of thousands of children around the world. Thank you to the dedicated team of professionals at Polka for another successful year!

One priority for the Board has been to strengthen Polka's governance and management. As part of our successful Catalyst Arts Award from Arts Council England we have created an additional role within the Executive Team and our new Development Director, Amanda Cropper, joined us in April 2013 from the National Portrait Gallery to take over the reins on Fundraising, Marketing and Sales. In addition, through our Advisory Council we are building up a team of expert volunteers able to offer counsel and support if and when required (so our thanks go to them as well).

The coming year sees even more change as we say farewell to Artistic Director Jonathan Lloyd after seven successful years. Looking back over his many achievements, what one sees is a vital, unique child-centred organisation; a theatre that inspires imagination, creating magical experiences for young people. Importantly, Jonathan has strengthened Polka's roots in the local community, whilst establishing an enviable international reputation. He has fused the Creative Learning programme into Polka's work on stage, developed an acclaimed Early Years programme with Associate Director, Jo Belloli, and sustained a commitment to commissioning original new plays for children.

On behalf of the Board of Trustees and everyone at Polka, heartfelt thanks must go to Jonathan for seven years of hard work, enthusiasm, talent and leadership.

In November 2013 we will welcome our new Artistic Director Peter Glanville, who joins from Little Angel Theatre in Islington. Peter brings with him enormous creative vision and a wealth of experience - both in steering an organisation to success and as an acclaimed theatre director.

POLKA CHILDREN'S THEATRE LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH 2013

As we look forward to these exciting new times ahead, we also face considerable challenges. Redevelopment of Polka's building is now imperative and with reductions in public sector subsidy for the arts, we must continue to diversify our funding sources. Having strengthened our position in 2012-13, putting the right team and strategy in place, I am confident we can realise our ambitious plans for Polka.

Finally, huge thanks to Arts Council England, London Borough of Merton, the European Community Culture Programme and all our generous patrons, funders and donors for their ongoing support.

Sarah King

POLKA CHILDREN'S THEATRE LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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

Appointment of trustees

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

Trustee induction and training

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

Organisation

The board of trustees, which can have up to fifteen members, determines the long-term objectives of the company. It meets quarterly and there are sub-committees or working groups covering finance, development, staffing and premises. 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.

Related Parties

There were no related party transactions within the period.

Risk management

The board of trustees has a risk management strategy which comprises a regular review of the risks that the company may face, the establishment of systems and procedures to mitigate those risks and the implementation of procedures designed to minimise any potential impact on the company should those risks materialise.

Public Benefit

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

POLKA CHILDREN'S THEATRE LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH 2013

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 and singing and music.

Our overarching mission is to spark the imagination and fuel a sense of discovery in children from every background, through thrilling world-class theatre and a creative programme of learning, in a welcoming and stimulating environment.

The main objectives for the year continue to be the creation and presentation of plays for children, a creative learning programme of participatory activities, exhibitions and other events at the company's theatre in Wimbledon, London, and community outreach projects particularly aimed at engaging with disadvantaged children and families who have little or no previous experience of theatre. In addition, the company undertakes occasional engagements or collaborative projects at other theatres and arts venues in the United Kingdom and overseas.

FINANCES

The company succeeded in generating a further operating surplus to add to the reserves which it had accumulated in the previous four years.

Roughly 42% of the company's total income is earned through Box Office ticket sales and fees from participatory clubs and workshops. Ancillary sources, such as café rental, merchandising, interval refreshments, room hire and one-off projects, represent a further significant element in the mix

The company has been in receipt of revenue funding from national, regional and local public authorities since the theatre opened in 1979. In the year ended 31st March 2013, this represented 39% of total turnover.

Whilst recognising the severe restrictions that public finances will be operating under in the foreseeable future, the company will continue to make a vigorous argument for retaining a healthy level of core subsidy as well as looking to take full advantage of funding opportunities in other public spheres besides the Arts. The company is well-placed to meet key policy objectives of public funders in the areas of children and young people's welfare, community engagement and cohesion, participation, vibrant communities, diversity and internationalism.

The company is working to develop its private sources of income. It has strong, long-term relationships with a number of major trusts as well as forging new partnerships. Following the allocation of funding through the Arts Council Catalyst Arts programme, it has invested in capacity building its fundraising resources and is focussing on building its relationships with individuals, developing corporate partnerships and sponsorship opportunities, and undertaking fundraising events.

POLKA CHILDREN'S THEATRE LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH 2013

Clearly, the company needs to maintain a diverse range of income sources and be proactive in identifying new sources if it is to meet its objectives and thrive as an organisation in the challenging years ahead.

RESERVES POLICY

The Trustees have reviewed the charity's reserves policy in line with the guidance issued by the Charity Commission and recognise the need to safeguard against potential reductions in grant-aided income, fluctuations in earned income and unplanned expenditure, particularly emergency repairs and maintenance to the theatre premises. They estimate that the appropriate level of free reserves that the company requires at 31st March 2013 is £200,000, representing approximately 3 months of core operational expenditure. The amount of free reserves is currently in excess of the required figure.

ARTISTIC DIRECTOR'S REVIEW

Polka is a very special, rare place. We're a theatre with an international reputation, rooted in our local community but above all exclusively dedicated to work for children. Our mission is to spark children's imaginations and feed their curiosity about the world around them. We strive to engage audiences that reflect the diversity of south London, with thrilling, playful, world-class theatre, for children age 0 to 13.

The programme for 2012/13 included productions and projects that brought to life our strategic aims of giving young people more of a voice in our work on stage, creating bold, adventurous new work for children and raising our national and international profile. At the same time, we produced a programme that was financially buoyant and attracted large numbers of young audiences. Our Adventure Theatre continued to host an extensive range of visiting shows for Early Years audiences. The rest of our artistic output consisted of storytelling sessions, post-show talks, creative learning projects, family drop-in activities and community outreach.

Polka's Creative Learning department had another thriving, creative year with an increasing focus on projects that not only connected with our work on stage but also shaped it. Our Olympic-inspired, 5-year project 'Writing the World', encouraging children to find out about other countries and write stories sparked by what they discovered, culminated in the summer of 2012. 'Playhouse', our participatory project in collaboration with York Theatre Royal and Theatre Royal Plymouth continued to flourish and of particular mention was the development and growing influence of Polka's Young Voices Panel, and our continued commitment to access for children from every background.

This is my last annual report as Artistic Director as I am leaving Polka at the end of August 2013, to take up a new post as Artistic Director of Pegasus Theatre in Oxford. None of what Polka does would be possible without the unstinting, dedicated support of our staff and trustees. I want to take this opportunity to thank them all for the brilliant work they do, day in, day out, to deliver the very best, most inspiring experiences for our young audiences. And to thank all our funders, supporters and most of all, our audiences for their amazing support for Polka during my time here.

Finally, I am delighted to welcome Polka's new Artistic Director, Peter Glanville, who joins us from Little Angel Theatre, and to wish him all the very best for the future.

POLKA CHILDREN'S THEATRE LIMITED
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 2013

ACHIEVEMENTS IN 2012/13

Original new productions shaped and inspired by children and young people

- *Inside Out* was a year-long collaboration with Abbey Children's Centre, working with ten children aged between 4 and 6, and their families. The play ran for six weeks in summer 2012, in our Adventure Theatre.
- *Sticks and Stones* was about the riots, and was the result of interviews with young people in London, Bristol, Nottingham and Manchester, which were then woven into a play by Ali Taylor, produced at Polka and the other 3 cities in October 2012.

Our continuing commitment to commissioning, developing and producing original new work for children.

- Of the six shows we produced in 2012-13, four of them were original new plays. As well as the two shows mentioned above, we co-commissioned with Royal and Derngate Northampton a new musical for children age 7 to 11 called *Run! A Sports Day Musical*. This played at Polka during June 2012, and was staged by Royal and Derngate Northampton's youth theatre in 2013. Our production also featured a collaboration with Merton Music Foundation and a choir of children in several of the songs.

Our most financially successful winter season in Polka's history.

- During the run of *The Wind in the Willows* in our Main Theatre and *Too Many Penguins* in our Adventure Theatre, over 35,000 people attended Polka and we took £361k at the box office. The season also featured an exhibition inspired by *The Wind in the Willows*, created by students from Wimbledon College of Art, and a 'penguin trail' around our building for younger children to follow.

Summer 2012 saw the culmination of our five-year creative writing project, Writing the World.

- Launched in the run-up to the Beijing Olympics of 2008 and culminating in London 2012, we asked children in the UK to find out more about what life is like for children in other countries and to write a story inspired by what they discovered. Supported by established children's writers including Jamila Gavin and Lynne Reid Banks, and a programme of school and community workshops, we explored China, India, South Africa, Brazil and finally the UK and London. The 2012 showcase of winning stories was attended by the writer, Baroness Benjamin.

International reach and profile

- Our co-commission with Theatre for Young People, Toronto, *Minotaur* by Kevin Dyer, was chosen to be part of the prestigious 'New Visions, New Voices' festival at the Kennedy Center, Washington DC in May 2012.
- *Inside Out* was, through the support of the Arcola Theatre, picked up by a theatre company in Istanbul and produced there in Spring 2013.

POLKA CHILDREN'S THEATRE LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH 2013

- Our ongoing production of *Charlie and Lola's Best Bestest Play* toured to Dubai and Singapore and our production of *Charlie and Lola's Extremely New Play* was premiered at Sydney Opera House in winter 2012.
- Our on-going partnership as UK co-organisers within Small size, the European network for the diffusion of theatre for Early Years, ensures that we maintain close links with numerous European counterparts - theatre companies and arts education professionals with opportunities to share practice across the UK.

MAIN THEATRE PRODUCTIONS

June

Run! A sports day musical by Lisa Evans and Julian Butler

- Original new musical (co-commissioned with Royal & Derngate, Northampton).

July to August

Charlie & Lola's Best Bestest Play (revival)

- Revival of our co-production with BBC Worldwide, for final run at Polka.

September to October

Sticks and Stones by Ali Taylor

- Original new verbatim play, about the 2011 riots, from the perspective of children. In developing the production, we interviewed children in London, Bristol, Nottingham and Manchester and performed the play in those 4 cities in Autumn 2012

October to November

Red Riding Hood by Mike Kenny

- An Engine House Theatre touring production.

November to February

The Wind in the Willows, adapted by Toby Hulse

- This adaptation premiered at the Watermill Theatre, Newbury in 2011 and the script was developed further for the Polka production.

POLKA CHILDREN'S THEATRE LIMITED
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 2013

February

Why The Lion Danced by Carey English

- A Yellow Earth Theatre touring production celebrating Chinese New Year.

March

Grimm Tales, adapted by Carol Ann Duffy and dramatised Tim Supple

- A Theatr Iolo touring production

Comedy Festival

- *Kid Carpet and the Noise Animals* and *Comedy4Kids*.

ADVENTURE THEATRE FOR EARLY YEARS CHILDREN

July to August

Inside Out

- An original new show created in collaboration with young children and their families from local Abbey Children's Centre. The show was entirely inspired and shaped by the ideas of the children taking part.

October to February

Too Many Penguins?

- This show for children 1 to 4 was a co-production with the Macrobert Centre, Stirling and Scottish company, Frozen Charlotte Productions.

Visiting Early Years productions

- Including work from Major Mustard, Norwich Puppet Theatre. Puppetship, The Puppetellers, Theatre of Widdershins, Florschutz & Dohnert, Garlic Theatre, Tam T am Theatre, A Thousand Cranes, Hand To Mouth Theatre, The Flanagan Collective, M6 Theatre, Birdsnest Theatre, Ripstop Theatre and Half Moon Theatre

POLKA CHILDREN'S THEATRE LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH 2013

WORK ON TOUR

- *Inside Out* played in Turkey.
- *Charlie and Lola's Best Bestest Play* continued to tour the UK and also played in Singapore and Dubai.
- *Charlie and Lola's Extremely New Play* premiered at Sydney Opera House

CREATIVE LEARNING

Our Creative Learning department delivered an imaginative programme in 2012/13, offering exciting opportunities for children to participate in a wide range of activities.

17,408 children have participated in Polka's Creative Learning Programme

2,061 children have taken part in a Polka school workshop

1,827 children have benefited from the Curtain Up! Scheme

2,226 members of the community attended Polka for the first time

700 free tickets were distributed to families for our World of Stories and Music events.

4,087 children have attended our Take Part courses and Holiday Workshops

Run! Choir Project

Our Creative Learning department teamed up with Merton Music Foundation to work with 100 children from All Saints Primary, Abbotsbury Primary and Merton Abbey to produce songs for the soundtrack of *Run! A Sports Day Musical*

"70% of the children had not been to the theatre before so when they heard their voices in the background, they absolutely loved it! Some even told me they went a second time with their parents. Lots of children showed increased confidence after participating in the project and are already asking if a similar project is running this year."

Teacher, All Saints Primary

Run! Transition Project

Creative Learning and Merton Music Foundation also ran a transition project with Year 7's from Ricards Lodge High School and Year 6's from Holy Trinity Primary, Merton Park Primary, Poplar Primary and Bond Primary that explored the Year 6's hopes and fears about moving into secondary school through song writing. The Year 7's worked together with Year 6's to write songs inspired by *Run! A Sports Day Musical* which they performed to family and friends on the Polka stage.

POLKA CHILDREN'S THEATRE LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH 2013

"I've met new people who have reassured me about the school and I'm looking forward to a new start in September".

Year 6, pupil Holy Trinity Primary

"My favourite part of this project was learning about the layers of music and coming up with the lyrics and performing the song at Polka."

Year 6, pupil Merton Park Primary

Sticks and Stones

The Creative Learning department worked with writer Ali Taylor to facilitate interviews with children and young people in London, Nottingham, Manchester and Bristol to find out their views on rights, responsibilities, childhood and growing up in Britain today. The interviews formed part of *Sticks and Stones*, Polka's verbatim theatre piece for 9-13 year olds. Polka's Young Voices Panel were also interviewed and helped with research by interviewing their local community about the aftermath of the August riots of 2011

Playhouse

Polka continued its role as one of the partners in the nationwide Playhouse project, a teacher training and year 4 - 6 performance project which culminates in a national festival. Writers in 2012/13 included Phil Porter, Dan Jamieson, Brendan Murray and Oladipo Agboluaje. 240 children from Merton Park Primary, Chesterton Primary, Rotherhithe Primary, Vauxhall Primary, Hillcross Primary and Bond Primary performed the plays on Polka's main stage for their schools, friends and family.

"I came away from the weekend with new teaching and drama ideas, a real enthusiasm for the play I had chosen and for drama itself. Since the course, the staffs at Polka have been incredibly supportive, and cannot do enough to solve any queries or worries I may have. The pupils have thoroughly enjoyed working with the Drama professionals that have come into school, and I can see that we have some real budding actors here. Overall, my experience of the Playhouse project and working with the Polka Theatre has been an extremely positive one. I would thoroughly recommend the project to any school wanting to challenge and promote the love of the theatre to their pupils."

Teacher, Vauxhall Primary

POLKA CHILDREN'S THEATRE LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH 2013

Arrive Alive and Around the Corner

Merton Transport once again commissioned Polka to deliver *Around the Corner* a road safety project aimed at Year 2 students and Arrive Alive aimed at Year 6 students. Both projects were delivered to 40 primary schools, reaching 4,800 pupils. This year *Around the Corner* also toured Hounslow, where it played in 10 schools to 660 pupils.

Access at Polka

Each year, we provide tailor-made activities and projects for children with disabilities and schools with pupils with special educational needs through our Arts Access programme. 7 SEN schools and over 122 children have participated in the Arts Access scheme.

We continue to improve the accessibility of our performances with 642 people having attended our fully integrated signed performances and 401 having attended our Relaxed performances and 110 participants having benefited from accompanying relaxed workshops. In October Polka's Creative Learning Department also hosted a Disability and Children's Arts Conference with Action for Children's Arts which was attended by industry professionals and the public.

"The workshop was accessed by the whole key stage and was wonderful. Delivery was seamlessly and sensitively adapted to the needs of individual children who were all engaged by different aspects of the workshop. They loved the puppets and the props. One of our most profoundly autistic pupils remained in the room and engaged for the whole workshop, which was beyond our expectations. Once again a big thank you to everyone involved with the play and the workshop. Polka Theatre is one of the most welcoming and exciting places on offer to our pupils."

Teacher, Strathmore School, Wind in the Willows Arts Access

Freefalling

For the past eight years Polka has run Freefalling, a project for children in Merton who are at risk of social exclusion from school. This year children aged between 9 and 11 attended weekly drama sessions during term time at Polka, culminating in a two-week summer school working with theatre professionals to devise their own piece of theatre which they performed on the Polka stage. 32 children participated in the project throughout the year.

"[Freefalling] has helped me because before I was really shy and scared but now I'm quite confident and not very scared. I also think my acting skills have grown up."

Freefalling participant

"[Freefalling] is helping her with her confidence. She talks a lot about what she does at Freefalling."

"It has allowed A to find an additional way of expressing herself"

Freefalling parents

POLKA CHILDREN'S THEATRE LIMITED

REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH 2013

Work Experience Week

Creative Learning continues to organise work experience week where 16 students spend a week at Polka learning about the different aspects and roles within the theatre, as well as producing their own Play in a Day at the end of the week.

Curtain Up!

Over 26 schools participated and 1850 children benefited from Curtain-Up! this year. Polka's free ticket scheme for schools in areas of deprivation who cannot afford to take their children to the theatre

Young Voices Panel

Polka's Young Voices Panel continues to grow and has 33 core members who work alongside Polka's artistic and creative team to learn and contribute to the process of theatre making. This year some of the activities they were involved in included hosting public after show talks, participating in a puppetry master class, conducting interviews, being interviewed for *Sticks and Stones*, pitching their ideas for future Polka productions to a group of Polka 'Dragons' including Polka's Artistic Director, Executive Director and Associate Producers.

"The workshops have given me confidence to speak in front of a group of strangers. Each session has been different and given me more insight into the world of the theatre."

Young Voices Panel Member, 10 years old

"The Young Voices Panel is wonderful and unique. There are many groups teaching children drama and art, however this is different from anything I have come across. The YVP, over a period of time, gives the child not only an understanding of all aspects of the theatre, but actually involves them. The workshops, particularly for Sticks & Stones where the children went out and interviewed people for the writer, are brilliant. I know she really feels not just involved, but also IMPORTANT."

Parent of YVP member

"I feel that my son's opinion is valued and the ideas the YVP members are encouraged, nurtured and wherever possible implemented."

Parent of YVP member

**Jonathan Lloyd
Artistic Director**

POLKA CHILDREN'S THEATRE LIMITED
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 2013

PLANS FOR FUTURE PERIODS

Future challenges for the company include.

- managing a steady decline in levels of public funding
- balancing the sometimes conflicting need for a bold, innovative programme with the capacity to generate high levels of box office income
- broadening the base for income from private funding sources through the development of individual donor support, corporate partnerships and fundraising events
- identifying new sources of sustainable earned income
- energetically pursuing partnerships and collaboration with other cultural organisations
- finding the means of extending the company's reach beyond its Wimbledon-based venue
- developing plans for the development and enhancement of the theatre premises

Trustees' responsibilities

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make sound judgements and estimates that are reasonable and prudent; 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

AUDITORS

A resolution will be proposed at the Annual General Meeting that Knox Cropper be appointed as auditors to the company for the ensuing year.

This report was approved by the trustees on 17th October 2013


Sarah King
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

THE POLKA CHILDREN'S THEATRE LIMITED

We have audited the financial statements of The Polka Children's Theatre Limited for the year ended 31st March 2013 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity'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 Charity'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 Charity and the Charity's members as a body, for our audit work, for this report or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Directors' Responsibilities, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2013 and of its incoming resources and application of resources, including 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE POLKA CHILDREN'S THEATRE LIMITED (CONTINUED)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report (Trustees' Annual Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

8/9 Well Court

London

EC4M 9DN

17th October 2013

Kevin Lally

Kevin Lally (Senior Statutory Auditor)

For and on behalf of Knox Cropper

Chartered Accountants, Statutory Auditor

POLKA CHILDREN'S THEATRE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31ST MARCH 2013

	Notes	Unrestricted Funds <i>General</i>	Unrestricted Funds <i>Designated and Revaluation</i>	Restricted Funds	Total 2013	Total 2012
		£	£	£	£	£
INCOMING RESOURCES						
Incoming Resources from Generated Funds:						
Voluntary income						
Grants and donations	5	746,264	-	157,425	903,689	887,172
Interest and investment income	4	35,322	-	-	35,322	23,828
Incoming resources from charitable activities	2	930,331	-	-	930,331	735,809
Total Incoming Resources		<u>1,711,917</u>	<u>-</u>	<u>157,425</u>	<u>1,869,342</u>	<u>1,646,809</u>
RESOURCES EXPENDED						
Cost of generating funds:						
Fund raising and publicity	3	173,670	-	-	173,670	191,257
Charitable activities	3	1,310,772	14,889	135,444	1,461,105	1,316,689
Governance Costs	3	168,910	-	-	168,910	158,468
Total Resources Expended		<u>1,653,352</u>	<u>14,889</u>	<u>135,444</u>	<u>1,803,685</u>	<u>1,666,414</u>
Net Income/(Expenditure) before Transfers		58,565	(14,889)	21,981	65,657	(19,605)
Transfer to Designated Funds		(51,000)	51,000	-	-	-
Transfer to/(from) Restricted Funds		10,825	-	(10,825)	-	-
Net Income/(Expenditure) after Transfers		18,390	36,111	11,156	65,657	(19,605)
Balance at 1st April 2012		265,875	643,026	349,161	1,258,062	1,277,667
Balance at 31st March 2013		<u>284,265</u>	<u>679,137</u>	<u>360,317</u>	<u>1,323,719</u>	<u>1,258,062</u>

All amounts relate to continuing activities. All recognised gains and losses are included above

POLKA CHILDREN'S THEATRE LIMITED

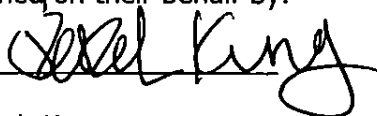
BALANCE SHEET

FOR THE YEAR ENDED 31ST MARCH 2013

	Notes	2013	2012
		£	£
FIXED ASSETS			
Tangible Assets	10	1,069,694	1,101,273
Investment	11	393,726	393,726
CURRENT ASSETS			
Stock	12	2,990	3,173
Debtors	13	148,814	40,577
Cash at bank and in hand		<u>447,521</u>	<u>488,963</u>
		599,325	532,713
CREDITORS: Amounts falling due within one year	14	<u>(373,163)</u>	<u>(379,216)</u>
NET CURRENT ASSETS		<u>226,162</u>	<u>153,497</u>
Total assets less current liabilities		1,689,582	1,648,496
CREDITORS: amounts falling due after more than one year	15	<u>(365,863)</u>	<u>(390,434)</u>
		<u>1,323,719</u>	<u>£1,258,062</u>
THE FUNDS OF THE CHARITY			
Unrestricted			
General Fund	16	284,265	265,875
Revaluation Reserve	17	628,137	643,026
Designated Reserves	18	51,000	-
Restricted			
Original Theatre Fund	19	323,536	332,511
Vehicle Fund	20	14,800	16,650
Other Restricted Funds	21	<u>21,981</u>	-
		<u>£1,323,719</u>	<u>£1,258,062</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

The financial statements were approved by the Board of Directors on 17th October 2013 and signed on their behalf by:



Sarah King

Company Number: 00938592

POLKA CHILDREN'S THEATRE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2013

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005), applicable UK Accounting Standards and the Companies Act 2006.

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

Depreciation

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	2%
Plant machinery	10%

Stocks

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

Income

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

Donations and grants

Income from donations and grants is included in incoming resources on a receipts basis, unless the donors specify that donations and grants given to the charity must be used in future accounting periods. In this event the income is deferred until those periods.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis

Pensions

Employees of the company are entitled to participate in the stakeholder pension scheme operated by AXA Sun Life. This scheme is open to any employee over 18 who has been with the company for at least 3 months. After 1 full year's employment, the company offers an employer's contribution of 3% of the employee's gross pay

POLKA CHILDREN'S THEATRE LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 2013

2. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2013	2012
	£	£
Box Office	713,489	585,690
Education	64,960	62,328
Touring	15,125	15,763
Merchandising	38,457	11,054
Other - Projects	98,300	60,974
	<u>£930,331</u>	<u>£735,809</u>

3. RESOURCES EXPENDED

Charitable Activities

Actors and production costs	626,134	653,913
Direct Costs	414,432	311,344
Touring and project costs	131,108	49,840
Central and premises costs	168,123	176,683
Depreciation	31,578	31,528
Administration of box office	89,730	93,381
	<u>£1,461,105</u>	<u>£1,316,689</u>

Fund raising and publicity

Salaries and wages	75,733	92,289
Marketing	92,359	91,709
Sponsorship	5,578	7,259
	<u>£173,670</u>	<u>£191,257</u>

Governance costs

Salaries and Wages	94,840	88,654
Audit and accountancy	4,540	4,000
Office costs	69,530	65,814
	<u>£168,910</u>	<u>£158,468</u>

Total

<u>£1,803,685</u>	<u>£1,666,414</u>
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4. INVESTMENT INCOME

Bank interest received	9,805	8,517
Rental income from the property investment (see note 11)	25,517	15,311
	<u>£35,322</u>	<u>£23,828</u>

POLKA CHILDREN'S THEATRE LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH 2013

5. GRANTS AND DONATIONS

	Unrestricted	Restricted	2013	2012
	£	£	£	£
Grants				
Arts Council England, London Revenue Grant	566,933	-	566,933	566,928
London Councils Revenue Grant	3,000	-	3,000	29,479
Cultural Olympiad Grant	-	-	-	8,180
London Borough of Merton Revenue Grant	87,000	-	87,000	30,648
Repatriated Funds	-	-	-	59,664
Arts Council – Catalyst Grant	-	70,980	70,980	-
European Community Culture Programme				
Small Size Network	-	6,400	6,400	7,252
Subsidy Income	656,933	77,380	734,313	702,151

Sponsorship and Donations

The City Bridge Trust	-	23,500	23,500	22,000
Esmée Fairbairn Charitable Trust	-	17,100	17,100	12,900
Garfield Weston Foundation	12,500	-	12,500	25,000
Ernest Cook Trust	-	8,872	8,872	-
Children In Need	-	8,238	8,238	8,200
Merton Priory Homes	-	7,168	7,168	9,412
Keith Campbell (Legacy)	7,000	-	7,000	-
The Equitable Charitable Trust	-	6,000	6,000	6,000
D'Oyly Carte	-	5,000	5,000	-
J Paul Getty Charitable Trust	-	4,167	4,167	-
Vernon N Ely Charitable Settlement	4,000	-	4,000	4,000
The Calleva Foundation	3,000	-	3,000	-
Goldsmiths Company	3,000	-	3,000	-
The Wolfson Foundation	-	-	-	18,500
Give It Away Foundation	-	-	-	7,000
Teale Charitable Trust	-	-	-	6,000
The Bellinger Donnay Charitable Trust	-	-	-	5,860
Mercers Company	-	-	-	5,000
Marian Esling Legacy Fund	-	-	-	4,942
Arts Council England Family Fund	-	-	-	3,740
The Big Give	-	-	-	4,000
A Night Less Ordinary Ticket Scheme	-	-	-	3,000
Others	59,831	-	59,831	39,467
	89,331	80,045	169,376	185,021
Total	746,264	157,425	903,689	887,172

POLKA CHILDREN'S THEATRE LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 2013

6. GRANTS AND DONATIONS (CONTINUED)

- Arts Council England's revenue grant was provided to assist Polka Theatre achieve its mission and enable it to undertake its agreed programme of work
- Arts Council England provided funding through the Catalyst Arts programme to enable the company to build its fundraising capacity
- The London Borough of Merton's revenue grant supported the company's programme of work in and for the local community.
- The grant from the European Community Culture Programme supported Polka Theatre's role as a partner organisation in the European Small Size network, encouraging the development of theatre for the very young.
- The City Bridge Trust supported our programme of integrated sign interpreted and relaxed (autism friendly) performances.
- The Esmée Fairbairn Charitable Trust supported research and development into *Sticks and Stones*, a piece of verbatim theatre exploring children's views on the riots of August 2011.
- The Garfield Weston Foundation supported our programme and activities with a non-restricted grant.
- The Ernest Cook Trust supported *Playhouse*, a nationwide teacher training and performance project
- Children In Need supported *Stories with Dad*, a project that encourages fathers and children to share and develop stories together.
- Merton Priory Homes supported (i) a project for choirs from Merton schools enabling them to create and record a song as part of *Run! A Sports Day Musical* and (ii) one term of *Freefalling*, a year-round drama club for children at risk of exclusion.
- Keith Campbell left a legacy to support the company's ongoing theatre work
- Equitable Charitable Trust supported *Arts Access*, a scheme providing tailored projects, workshops and supported visits to the theatre for children with disabilities and special educational needs.
- The D'Oyly Carte Trust and the Goldsmiths' Company supported *Curtain Up!*, our scheme that provides free trips to the theatre for disadvantaged children who would not otherwise be able to attend.
- The Hugo Halkes Trust and the J Paul Getty Trust supported our Community Engagement Programme
- The Vernon N Ely Charitable Settlement and The Calvea Foundation supported core costs.
- Donations from many other trusts, foundations and individuals were provided to support the company's general running costs.

POLKA CHILDREN'S THEATRE LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH 2013

7. NET INCOMING/(OUTGOING) RESOURCES

	2013	2012
	£	£
This is stated after charging		
Wages and Salaries	845,592	871,132
Depreciation of owned fixed assets	31,578	31,528
Auditors' remuneration	4,540	4,000

8. STAFF COSTS

Wages and Salaries	774,468	795,575
Pension contributions	3,457	2,906
Social security costs	67,667	72,651
	<u>845,592</u>	<u>£871,132</u>

No employee earned more than £60,000 per annum (2012 - £60,000)

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

	No.	No.
Average number of employees during the year		
Directors and performers	16	15
Sales, administration and others	18	18
	<u>34</u>	<u>33</u>

9. INTEREST PAYABLE

	2013	2012
	£	£
Mortgage loan interest	<u>11,121</u>	<u>£18,112</u>

10. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Short leasehold land and buildings £	Plant and Machinery £	Total £
Cost				
At 1 st April 2012	485,000	915,000	138,245	1,538,245
Additions	-	-	-	-
At 31 st March 2013	<u>485,000</u>	<u>915,000</u>	<u>138,245</u>	<u>1,538,245</u>
Depreciation				
At 1 st April 2012	105,584	228,919	102,469	436,972
Charge for the year	4,136	8,975	3,578	16,689
Depreciation on revaluation	5,564	9,325	-	14,889
At 31 st March 2013	<u>115,284</u>	<u>247,219</u>	<u>106,047</u>	<u>468,550</u>
Net book value				
At 31 st March 2013	<u>369,716</u>	<u>667,781</u>	<u>32,198</u>	<u>1,069,695</u>
At 31 st March 2012	<u>379,416</u>	<u>686,081</u>	<u>35,776</u>	<u>1,101,273</u>

POLKA CHILDREN'S THEATRE LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH 2013

11. INVESTMENT

The investment relates to 250-252 The Broadway, Wimbledon at a value of £393,726 which represents the cost of purchase including legal fees. The trustees are of the opinion that this is equivalent to the market value. The rental income for 2012/13 was £25,517 and the mortgage interest was £11,121.

12. STOCKS

	2013	2012
	£	£
Consumables	<u>2,990</u>	<u>£3,173</u>

13. DEBTORS

Trade receivable	78,669	4,040
Prepayments	67,971	36,537
Other Debtors	<u>2,174</u>	<u>-</u>
	<u>£148,814</u>	<u>£40,577</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Mortgage loan (secured)	21,092	21,578
Other taxes and social security costs	25,221	18,816
Other creditors	<u>326,850</u>	<u>338,822</u>
	<u>£373,163</u>	<u>£379,216</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

Mortgage loan (secured)	<u>365,863</u>	<u>390,434</u>
Repayable between one and five years	84,368	86,312
Repayable in five years or more	<u>281,495</u>	<u>304,122</u>
	<u>£365,863</u>	<u>£390,434</u>

16. GENERAL FUND

At 1 st April 2012	265,875	277,881
Surplus/(deficit) for the period	58,565	(26,895)
Add: Transfer from Restricted Funds-Depreciation charge	10,825	14,889
Less: Transfer to Designated Reserves	<u>(51,000)</u>	<u>-</u>
At 31 st March 2013	<u>£284,265</u>	<u>£265,875</u>

17. REVALUATION RESERVE

The freehold and leasehold buildings were revalued at £1,400,000 in the 2008 year, with the uplift in value being credited to the revaluation reserve.

At 1 st April 2012	643,026	657,915
Depreciation Charge	<u>(14,889)</u>	<u>(14,889)</u>
At 31 st March 2013	<u>£628,137</u>	<u>£643,026</u>

POLKA CHILDREN'S THEATRE LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH 2013

18. DESIGNATED RESERVES

	2013	2012
	£	£
At 1 st April 2012	-	-
Transfer from General Reserve	51,000	-
At 31 st March 2013	<u>£51,000</u>	<u>£-</u>

Analysis of Designated Reserve

Digital Platform	20,000	-
Fundraising	10,000	-
Equipment	<u>21,000</u>	<u>-</u>

19. ORIGINAL THEATRE FUND

At 1 st April 2012	332,511	341,871
Less: Transfer to General Fund-Depreciation charge	<u>(8,975)</u>	<u>(9,360)</u>
At 31 st March 2013	<u>£323,536</u>	<u>£332,511</u>

20. VEHICLE FUND

At 1 st April 2012	16,650	18,500
Less: Transfer to General Fund-Depreciation charge	<u>(1,850)</u>	<u>(1,850)</u>
At 31 st March 2013	<u>£14,800</u>	<u>£16,650</u>

21. OTHER RESTRICTED RESERVES

At 1 st April 2012	-	-
Income Received	157,425	111,336
Expenditure Incurred	<u>(135,444)</u>	<u>(111,336)</u>
At 31 st March 2013	<u>£21,981</u>	<u>£-</u>

22. 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.

23. TAXATION

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