

Registered number  
938592

**Polka Children's Theatre Limited**

**Report and Accounts**

**31 March 2010**

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**Polka Children's Theatre Limited**  
**Report of the trustees for the year ended 31 March 2010**

The trustees are pleased to present their report together with the financial statements of the company for the year ended 31 March 2010

**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Charity number :</b>	256979
<b>Company number :</b>	938592
<b>Principal Office :</b>	240 The Broadway, Wimbledon, SW19 1SB
<b>Auditors :</b>	Haxton , Central House, 124 High Street, Hampton Hill, TW12 1NS
<b>Bankers :</b>	Barclays Bank plc, Barclays House, 8 Alexandra Road, Wimbledon, 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 trustees.

The trustees serving during the year ended 31 March 2010 were as follows

Chair	Paul Windsor Harry Cowd Abigail Dankwa (resigned 14 October 2009) Katharine Davies (resigned 14 October 2009) Belinda Eriksson (appointed 8 July 2009) Jamila Gavin Sally Goldsworthy (appointed 27 January 2010) Richard Haines Philippa Hird Arnie Isaacson Matilda MacAttram (resigned 30 April 2009) Anne Millman Nikki Morgan (appointed 27 January 2010) Oonagh Moulton Fosuah Poku David Shriver (appointed 27 January 2010) Tony Warner Chris Yu
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**Polka Children's Theatre Limited**  
**Report of the trustees for the year ended 31 March 2010**

**A VIEW FROM THE CHAIR**

Polka has had another hugely successful year under the astute artistic leadership of Jon Lloyd, the operational stewardship of our chief executive Stephen Midlane and the dedicated senior management team around them. On behalf of the board of trustees I would like to put on record our heartfelt thanks for the commitment and professionalism that is contributed daily to ensure the success of this unique and much loved institution.

On the wider stage, despite the huge contribution made by the arts towards the success of the UK economy, it has become clear that the era of austerity heralded by the new coalition government is likely to have a significant impact in reducing the availability of public funding for all arts organisations in the forthcoming decade.

It is within this context that the board of trustees and the executive management team have been planning to ensure the long term future and security of Polka so that it can continue to be a source of inspiration to spark the imagination of children around the world and to maintain the high quality of output upon which its reputation as a world-class theatre dedicated to children has been built over the last 30 years.

The pages of this annual report demonstrate the huge contribution that Polka makes to the lives of so many children through its fabulous work with the under 5s in the adventure theatre, the stunning productions that have filled the main auditorium with colour and excitement, the extensive education programmes designed alongside our productions and coordinated with school curriculums, the inspiring workshops for budding thespians and our sustained efforts to engage with local communities and new audiences.

All these things have been achieved within a stable and sustainable financial framework whilst at the same time the board has been pressing forward with the next stage of its plans for the redevelopment of the theatre site.

We look forward to welcoming you to Polka for many years to come.

Paul Windsor Bsc FCA

**Polka Children's Theatre Limited**  
**Report of the trustees for the year ended 31 March 2010**

**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 10 September 1968 and amended to allow for current governance arrangements on 16 October 1987 and 14 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 retires 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 risk 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 level of fees, charges and concessions, the trustees give careful consideration to the accessibility of the theatre for those on low incomes.

**Polka Children's Theatre Limited**  
**Report of the trustees for the year ended 31 March 2010**

**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 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 had little or no previous experience of theatre. In addition, the company also undertakes occasional engagements or collaborative projects at other theatres and arts venues both 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 year. It also benefited from interest received on a VAT refund. Roughly 41% 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 2010, this represented 43% of total turnover. All its public funding bodies will be reviewing their ongoing commitment to the company beyond 2011.

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 its current levels 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 continues to enjoy successful fundraising campaigns. It has strong, long-term relationships with a number of major trusts as well as forging new partnerships. It is also focussed on building relationships with individuals and developing its corporate membership scheme and sponsorship opportunities.

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.

**Polka Children's Theatre Limited**  
**Report of the trustees for the year ended 31 March 2010**

**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 ought to have at 31st March 2010 is £200,000, representing approximately 3 months of core operational expenditure. The amount of free reserves is currently marginally in excess of the required figure.

**ARTISTIC'S DIRECTOR'S REVIEW**

2009 saw Polka Theatre celebrating its 30th birthday. Thirty years of programming exciting, resonant, inventive work in a building that's playful and surprising. Thirty years of proudly being a theatre rooted in our community, while steadily building a national and international reputation.

Our 2009/10 programme was typically ambitious and diverse, trying new things, taking risks, while delivering at the box-office and reaching new audiences. Alongside the hugely popular revival of James and the Giant Peach, our production of Charlie and Lola's Bestest Play went on an extensive UK tour and enjoyed lengthy runs in Sao Paulo and Rio de Janeiro. Equally important to us was original new work like our co-production with Northampton Theatres Wish Wash. This was a joyful, interactive show that took its Early Years audiences on a journey around Polka, through a series of spaces in which they could play and explore.

Original new plays continued to play a crucial role in our programming. Lyn Gardner wrote in The Guardian about The Monster Under The Bed, our new play for children 6+: 'Writer Kevin Dyer proves why that endangered species, the original play for children, is worth saving.' This play went on to be produced at the Lorraine Kimsa Theatre in Toronto – a great example of how Polka's own commissions have a wider, international reach. In October, Mick Gordon's new play The Ride of your Life was developed with help from the Natural History Museum as part of their Darwin200 celebrations, and was a rollercoaster ride through Darwin's theory of evolution by natural selection.

Goldilocks and the Three Bears was a big hit with audiences, running for four months in our Adventure Theatre. As in previous years, we provided two versions – one for 3 to 5 year olds, and one especially tailored for 1 to 2 year olds. We also developed the show with Linden Lodge School in Southfields, working with visually impaired children to devise ways of making the show more accessible through the use of description, sound, music, touch and smell.

Polka offers amazing value for money. Not just in our affordable ticket prices, but also through our Curtain Up scheme providing free visits to schools from disadvantaged areas. Not just in our building, with its playground, exhibition area, garden, cafe, dressing-up box and reading corner, but also through our free monthly storytelling sessions. And there's a whole heap of hidden value too, through the extensive education and outreach work we engage in. So much of this work is invisible to the public, but is central to our mission.

2010/11 and beyond will see us facing considerable financial challenges, with cuts in our public subsidies on the horizon. Our 30th birthday celebrations brought home to us the great affection and support that Polka enjoys in the local community. It's been part of people's lives here for over a generation. We understand that like any other publicly-funded organisation

**Polka Children's Theatre Limited**  
**Report of the trustees for the year ended 31 March 2010**

We can't avoid cuts. We will respond as we always have when faced with a challenge – creatively, looking to maximise our income from diverse sources. But there's a limit, a tipping point beyond which we would struggle to survive. In the current climate we will rely on the support of our audiences and funders like never before, if we are to continue over the next thirty years.

**ARTISTIC AND LEARNING PROGRAMME**

We're a theatre with an international reputation, rooted in our local community. As such, we strive to engage audiences that reflect the diversity of south London, with work of the highest quality, for children age 0 to 13.

This year's programme consisted of six home-produced productions which struck a 50/50 balance between adaptations and new work, reflecting our commitment to commission and produce exciting, original new work for children. Our Adventure Theatre continued to host an extensive range of visiting shows for Early Years audiences. The rest of our artistic programme consisted of storytelling sessions, author events, post-show talks, education projects and family drop-in activities.

**MAIN THEATRE**

Performances - 251  
Attendances – 47,723

**THE MONSTER UNDER THE BED** by Kevin Dyer  
for 6-11s

- An original Polka commission, the play was presented as a staged reading at the John F Kennedy Center for Performing Arts in Washington DC in April 2008
- 'Writer Kevin Dyer proves why that endangered species, the original play for children, is worth saving' The Guardian
- Produced at the Lorraine Kimsa Theatre in Toronto in early 2010. Also turned into a book for primary schools, published by Harper Collins

**THE RIDE OF YOUR LIFE** by Mick Gordon  
for 8-11s

- Original new play celebrating Darwin and the history of life on earth
- Linked to Natural History Museum's Darwin200 celebrations, the script was developed with scientific advice from Jane Mainwaring at NHM
- Produced in association with Mick Gordon's company, On Theatre, their first production for young audiences
- High-profile show attracting much media attention

**JAMES AND THE GIANT PEACH** by Roald Dahl, adapted by David Wood  
for 6+

- Part of Polka's 30th birthday celebrations, a revival of our 2004 production
- Much loved by audiences, and well reviewed in The Stage and The Times
- Exceeded its ambitious box-office target, which helped us hugely with our financial position for the year

**Polka Children's Theatre Limited**  
**Report of the trustees for the year ended 31 March 2010**

CHARLIE AND LOLA'S BEST BESTEST PLAY based on the characters created by Lauren Child, adapted by Jonathan Lloyd  
for 4 to 7s

- Co-production with BBC Worldwide
- Following a national tour, this revival of our 2008 production played to enthusiastic audiences as part of our 30th birthday celebrations
- Brazilian production enjoyed lengthy runs in Rio de Janeiro, and Sao Paolo
- Special Charlie and Lola trail around Polka's building accompanied the run

**ADVENTURE THEATRE**

Performances - 403  
Attendances - 20,305

WISH WASH by Dan Jamieson  
for 2 to 5s

- Co-production with Royal and Derngate Northampton
- Interactive & playful - took audience on a journey through different spaces, each of which was a different play environment
- Fantastic audience feedback, 'What a wonderful 60-minute introduction to live theatre ', The Stage

GOLDILOCKS AND THE THREE BEARS by Joseph Coelho and Jonathan Lloyd  
for 1 to 2s and 3 - 5s

- Two versions for different age-groups
- Worked closely in rehearsals with group of children with visual impairments and special needs at Linden Lodge School in Southfields, to build descriptive and sonic elements (and some smells) into show to make it more accessible to the visually impaired
- Sold out throughout its run of over 4 months and exceeded its box-office target by 27%

**Other Early Years work**

In addition to the weekly programme of Saturday performances, we hosted several week-long residencies presenting work from

- Little Angel Theatre - Handa's Hen
- Theatre Lolo - Out of the Blue & Under the Carpet
- M6 - One Little Word

In addition to presenting some of the best theatre for 2 - 6 year-olds, we continued to produce Polka Firsts, previews of new work specifically created for Under 3's. This is a developing area of theatre for Early Years which Polka, through its partnership within Small Size (the European network of theatre and arts for Early Years) is taking a lead within the UK. Polka Firsts have included new productions by

- Tam Tam Theatre - Circles in the Sand
- Peut-Etre Theatre - The Bug and the Butterfly



**Polka Children's Theatre Limited**  
**Report of the trustees for the year ended 31 March 2010**

**THE FLEA PIT**

This was a unique show from Cahoots NI from Northern Ireland – set in a tiny horse-box theatre, seating just 15 people, parked round the back of Polka. It served our artistic aim to bring our building to life in unusual and surprising ways.

**LEARNING PROGRAMME**

Drama Clubs and Courses Sessions – 308  
School and Community Workshops - 640  
Participants - 12,895

Education and learning are at the heart of our work with an imaginative programme catering for all abilities. It is focused on children participating in drama to develop their confidence and creativity. This year saw many diverse, creative projects targeting children with disabilities, special needs and from disadvantaged backgrounds.

- Writing the World, our story-writing competition, encouraging children in London to find out more about children in other countries, focused in its 3rd year on South Africa
- Playhouse, our participatory/teacher development project for Year Six students and their teachers, in partnership with Theatre Royal York, Theatre Royal Plymouth and Dundee Rep, has continued. Professional playwrights are commissioned to write short plays for Year Five & Six students to perform on Polka's stage. This year, Polka commissioned Tanika Gupta to write a new play *Dreaming By Day*.
- Freefalling, our participatory project for children at risk of exclusion aged 9 - 11, working in partnership with local agencies.
- World of Music and Stories. Free Storytelling sessions that take place every month featuring stories and artists from different cultures around the world. Half the tickets for this are allocated through our Community Engagement Officer, to local families in Mitcham.
- Arts Access. Multi-sensory workshops for Special Educational Needs Students.
- Curtain up Scheme. Free tickets for schools that do not have funding to come to the theatre. We provide free tickets for Main House shows and also deliver a free post show workshop at the school and contribute £100 towards the school's travel costs. Children also get the opportunity to attend after-show talks with the cast and director.
- Holiday Workshops. Activities for young people from 3-14 years old. They include workshops that explore Polka shows, puppet making, scriptwriting and devising a play in a day.
- After School Clubs. Termly sessions for 3-14 year olds focusing on creative play, storytelling and drama games (for 3-5's) and (for 6-14's) sessions focusing on working with professional directors and artists to explore the groups' own ideas and create inspiring new theatre.
- Work Experience Week. Fifteen Year 10 students come to Polka to learn about the different elements involved in running a professional theatre. The group put on their own performance piece at the end of the week.
- Around the Corner & Arrive Alive. Interactive performances exploring good Road Safety aimed at Year 6 and Year 3 students, presented in every primary school in Merton.
- Teachers Resources. We created resources and activity packs for every Polka Main House Show.
- Show-related Workshops. Follow-up workshops that go out into schools exploring themes from all main House Productions.
- The Teachers Advisory Panel, Early Years Advisory Panel and Young Voices Children's Panel all served as channels for the company engaging with its users.

**Polka Children's Theatre Limited**  
**Report of the trustees for the year ended 31 March 2010**

**PLANS FOR FUTURE PERIODS**

Future challenges for the company include

- balancing the need for a varied, innovative and high-quality programme with the capacity to generate the box office income required
- making the case for continued public funding
- broadening the base for fundraising income through the development of new donor schemes and capitalising on its strong relations with major trusts
- identifying new sources of earned income
- energetically pursuing partnerships and collaboration with other cultural organisations
- fully embedding the learning programme at the core of the company's programme and finances
- developing design 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 1985, the Charities Act 1993, 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 Haxton be re-appointed as auditors to the company for the ensuing year



This report was approved by the trustees on 21 October 2010

Paul Windsor Bsc FCA  
Chair

## **Polka Children's Theatre Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They 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.

**Polka Children's Theatre Limited**  
**Independent auditors' report**  
**to the shareholders of Polka Children's Theatre Limited**

We have audited the accounts of Polka Children's Theatre Limited for the year ended 31 March 2010 which comprise the statement of financial activities, the balance sheet, the statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard For Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

The accounts also comply with the Charities Act 1993 and the Charities (Accounts and Reports) Regulations 2008.

This report is made solely to the company's members, as a body, in accordance with Section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit the accounts 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.

In accordance with the exemption provided by APB Ethical Standard – Provisions Available for Smaller Entities, we have not performed the audit procedures required by the standards in relation to the preparation of the accounts.

**Scope of the audit opinion**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the accounts.

**Opinion on the accounts**

In our opinion the accounts

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.


**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

**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 accounts are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the accounts and the directors' report in accordance with the small companies regime.



Gordon J Haxton (Senior Statutory Auditor)  
for and on behalf of Haxton  
Accountants and Statutory Auditors  
21 October 2010

Central House  
124 High Street  
Hampton Hill  
Middlesex TW12 1NS

**Polka Children's Theatre Limited**  
**Statement of Financial Activities**  
**for the year ended 31 March 2010**

		UNRESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL	TOTAL
	Notes			2010	2009
<b>Incoming resources from generated funds:</b>					
<i>Voluntary income</i>					
Grants and donations	5	768,718	168,418	937,136	895,782
Investment income		3,618	-	3,618	6,016
<b>Incoming resources from charitable activities</b>					
	2	732,711	-	732,711	773,565
VAT rebate	4	115,291	-	115,291	162,730
<b>TOTAL INCOMING RESOURCES</b>		<u>1,620,338</u>	<u>168,418</u>	<u>1,788,756</u>	<u>1,838,093</u>
<b>RESOURCES EXPENDED</b>					
<i>Costs of generating funds</i>					
Fund raising and publicity	3	186,803	-	186,803	176,158
Charitable activities	3	1,116,194	168,418	1,284,612	1,306,613
Governance costs	3	152,991	-	152,991	153,113
<b>TOTAL RESOURCES EXPENDED</b>		<u>1,455,988</u>	<u>168,418</u>	<u>1,624,406</u>	<u>1,635,884</u>
<b>NET (OUTGOING)/ INCOMING RESOURCES</b>	6	164,350	-	164,350	202,209
<b>FUND BALANCES AT 1 APRIL</b>		415,805	-	415,805	213,596
<b>FUND BALANCES AT 31 MARCH</b>	14/15	<u>580,155</u>	<u>-</u>	<u>580,155</u>	<u>415,805</u>

The above statement of Financial Activities is the equivalent of the Statement of Income and Expenditure required by the Companies Act 1985. All amounts derive from continuing operations. There were no recognised gains or losses for 2009 or 2010 other than those disclosed in the profit and loss account.

**Polka Children's Theatre Limited**  
**Statement of total recognised gains and losses**  
**for the year ended 31 March 2010**

	<b>Notes</b>	<b>2010 £</b>	<b>2009 £</b>
Surplus for the financial year		164,350	202,209
Total recognised gains and losses related to the year		<u>164,350</u>	<u>202,209</u>

**Polka Children's Theatre Limited**  
**Balance Sheet**  
**as at 31 March 2010**

	Notes	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	9	1,139,315	1,167,189
<b>Current assets</b>			
Stocks	10	3,760	3,549
Debtors	11	3,666	215,576
Cash at bank and in hand		643,574	129,275
		<u>651,000</u>	<u>348,400</u>
<b>Creditors: amounts falling due within one year</b>	12	(330,618)	(185,435)
<b>Net current assets</b>		<u>320,382</u>	<u>162,965</u>
<b>Total assets less current liabilities</b>		<u>1,459,697</u>	<u>1,330,154</u>
<b>Creditors: amounts falling due after more than one year</b>	13	(206,738)	(217,681)
		<u>1,252,959</u>	<u>1,112,473</u>
<b>The funds of the charity</b>			
<b>Unrestricted income funds</b>			
General fund	14	229,309	59,650
Original theatre fund	15	350,846	356,155
Revaluation reserve	16	672,804	696,668
	17	<u>1,252,959</u>	<u>1,112,473</u>

  
Paul Windsor Bsc FCA  
Chair

Approved by the board on 21 October 2010

**Polka Children's Theatre Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2010**

**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, the Charity (Accounts and Reports) Regulations 2008, applicable UK Accounting Standards and the Companies Act 1985. 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	over the period of the lease
Motor vehicles	25%
Fixtures and fittings	10%
Stage and film equipment	12.5% - 25%

***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 accrual 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**  
**for the year ended 31 March 2010**

**2 Incoming resources from charitable activities**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Box office	581,392	619,573
Education	89,705	65,417
Touring	6,478	4,471
Merchandising	17,823	26,565
Other	37,313	57,539
	<u>732,711</u>	<u>773,565</u>

**3 Resources expended**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Charitable activities</b>		
Actors and production costs	641,697	608,667
Direct costs	301,498	327,236
Touring and project costs	56,691	76,926
Central and premises costs	190,146	203,951
Depreciation	13,376	12,004
Administration of box office	81,204	77,829

(Included in direct activity and production costs were restricted funds costs amounting to £168,418)

<u>1,284,612</u>	<u>1,306,613</u>
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**Fund raising and publicity**

Salaries and wages	90,685	79,590
Marketing	84,213	85,536
Sponsorship	11,905	11,032
	<u>186,803</u>	<u>176,158</u>

**Governance costs**

Salaries and wages	86,665	83,527
Audit and accountancy	4,002	4,654
Office costs	62,324	64,932
	<u>152,991</u>	<u>153,113</u>

**Total**

<u>1,624,406</u>	<u>1,635,884</u>
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**Polka Children's Theatre Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2010**

**4 VAT Rebate**

The company qualifies as an eligible body for the purposes of exempting VAT charges on the right of admission to certain cultural activities. During the course of the previous year it was confirmed that the company would be entitled to receive a refund on overpaid output VAT on its theatre admissions for the period between 1990 and 1996. In this year interest was paid in respect of the claims, disclosed net of professional fees.

**5 Grants and donations**

	Unrestricted £	Restricted £	2010 £	2009 £
GRANTS				
Arts Council England, London Revenue grant	595,920	-	595,920	580,255
London Councils Revenue grant	78,600	-	78,600	82,667
Cultural Olympiad Grant	-	21,820	21,820	25,731
London Borough of Merton Revenue grant	30,650	-	30,650	30,810
Early Intervention Commission	-	14,849	14,849	-
European Commission Small Size Network	-	10,208	10,208	9,077
SUBSIDY INCOME	<u>705,170</u>	<u>46,877</u>	<u>752,047</u>	<u>728,540</u>

**Polka Children's Theatre Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2010**

**5 Grants and donations**

SPONSORSHIP AND DONATIONS	Unrestricted £	Restricted £	2010 £	2009 £
Garfield Weston Foundation	30,000	-	30,000	-
Peter De Haan Charitable Trust	-	20,000	20,000	20,000
Bill Butlin Charity Trust	-	20,000	20,000	-
Esmee Fairbairn Charitable Trust	-	20,000	20,000	-
Derek Tullett	-	18,400	18,400	7,276
John Paul Getty Foundation	-	10,000	10,000	5,833
A Night Less Ordinary Free Ticket Scheme	-	9,000	9,000	9,000
Ernest Cooke Foundation	-	5,623	5,623	3,128
Vernon Ely Charitable Settlement	4,000	-	4,000	4,000
Goldsmith's Company	-	3,000	3,000	-
Teale Foundation	-	2,500	2,500	4,000
Hugo Halkes Charitable Trust	-	2,500	2,500	-
Manna Kleinwort Charitable Trust	-	2,400	2,400	-
Help A London Child	-	2,093	2,093	-
Boshier Hynton Foundation	-	2,025	2,025	2,025
Hedley Foundation	-	2,000	2,000	-
Starkie Bence Charitable Trust	2,000	-	2,000	2,000
Bruce Wake Charitable Trust	-	2,000	2,000	-
Calleva Foundation	2,000	-	2,000	2,000
Paul Hamlyn Foundation	-	-	-	20,000
Fidelity Trust	-	-	-	11,121
Awards for All	-	-	-	8,004
Equitable Charitable Foundation	-	-	-	5,000
Give It Away	-	-	-	5,000
Andor Charitable Trust	-	-	-	4,000
Radcliffe Trust	-	-	-	3,000
D'Oyle Carte Charitable Trust	-	-	-	3,000
Clore Duffield Foundation	-	-	-	2,500
Kirby Laing Foundation	-	-	-	2,500
Garrick Trust	-	-	-	2,500
John Horniman Foundation	-	-	-	2,025
8th Earl of Sandwich Trust	-	-	-	2,025
Barbara Whatmore Trust	-	-	-	2,000
Leche Trust	-	-	-	2,000
Other	25,548	-	25,548	33,305
	<b>63,548</b>	<b>121,541</b>	<b>185,089</b>	<b>167,242</b>
<b>TOTAL</b>	<b>768,718</b>	<b>168,418</b>	<b>937,136</b>	<b>895,782</b>

**Polka Children's Theatre Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2010**

**5 Grants and donations**

- 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
- London Councils' grant of £78,600 was received for the financial year ended 31 March 2010 to enable Polka Theatre to provide educational and participatory programmes and activities for disadvantaged children and young people. The full sum was used for these purposes
- London Councils' grant of £21,820 was received for the Writing the World project, to enable the enhancement of Londoners' involvement in cultural activity linked to the themes of the Cultural Olympiad. The full sum was used for these purposes
- The London Borough of Merton's revenue grant supported the company's programme of work in and for the local community
- The London Borough of Merton's grant through its Early Intervention, Prevention and Positive Activities Programme supported Freefalling, the company's drama programme for children aged from 9 to 11 at risk of exclusion
- The grant from the European Commission 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 Bill Butlin Charity Trust supported our artistic programme, particularly our development of original new work
- The Peter De Haan Trust provided funds for Polka to become a partner organisation in IdeasTap
- The Esmée Fairbairn Charitable Trust supported 'The Ride Of Your Life', a new play about Darwin, developed in partnership with the Natural History Museum
- Derek Tullett provided funds to commission a feasibility study into developing the company's premises
- The John Paul Getty Trust provided funding for our Community Engagement Programme
- Arts Council England provided funding for Polka Theatre to participate in A Night Less Ordinary, a scheme providing free tickets for under-26s
- The Ernest Cook Foundation supported the Playhouse project
- The Goldsmiths Company supported World of Stories and Music, our community storytelling event
- The Boshier-Hinton Foundation, the Hugo Halkes Charitable Trust, the Hedley Foundation and the Bruce

**Polka Children's Theatre Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2010**

**4 Grants and donations**

- The Boshier-Hinton Foundation, the Hugo Halkes Charitable Trust, the Hedley Foundation and the Bruce Wake Charitable Trust supported the Arts Access scheme for children with Special Educational Needs
- The Teale Foundation supported the Free for All education programme
- The Vernon Ely Charitable Settlement, the Starkie Bence Charitable Trust and the Calleva Trust supported core costs
- The Marina Kleinwort Charitable Trust supported the scholarship scheme for our after-school clubs
- Help A London Child supported our autism-friendly performance of 'James and the Giant Peach'
- Donations from many other trusts, foundations and individuals were provided to support the company's general running costs

<b>6 Net (outgoing)/incoming resources</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
This is stated after charging		
Wages and salaries	856,740	797,936
Other external charges	750,288	842,436
Depreciation of owned fixed assets	13,376	12,004
Auditors' remuneration	4,002	4,654

<b>7 Staff costs</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Wages and salaries	803,484	730,403
Pension contributions	3,461	3,173
Social security costs	49,795	64,360
	<u>856,740</u>	<u>797,936</u>

No employee earned more than £60,000 per annum (2009 - £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

**Polka Children's Theatre Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2010**

**Staff costs**

<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Directors and performers	15	14
Sales, administration and others	17	17
	<u>32</u>	<u>31</u>

<b>8 Interest payable</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Mortgage loan interest	<u>5,927</u>	<u>12,882</u>

**9 Tangible fixed assets**

	<b>Freehold land and buildings £</b>	<b>Short leasehold land and buildings £</b>	<b>Plant and machinery £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2009	485,000	915,000	104,199	1,504,199
Additions	-	-	9,366	9,366
At 31 March 2010	<u>485,000</u>	<u>915,000</u>	<u>113,565</u>	<u>1,513,565</u>
<b>Depreciation</b>				
At 1 April 2009	73,781	172,127	91,102	337,010
Charge for the year	4,136	4,595	4,645	13,376
Surplus on revaluation	8,267	15,597	-	23,864
At 31 March 2010	<u>86,184</u>	<u>192,319</u>	<u>95,747</u>	<u>374,250</u>
<b>Net book value</b>				
At 31 March 2010	<u>398,816</u>	<u>722,681</u>	<u>17,818</u>	<u>1,139,315</u>
At 31 March 2009	<u>411,219</u>	<u>742,873</u>	<u>13,097</u>	<u>1,167,189</u>

<b>10 Stocks</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	<u>3,760</u>	<u>3,549</u>

The difference between purchase price of stocks and their replacement cost is not material

**Polka Children's Theatre Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2010**

<b>11 Debtors</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Other debtors	3,666	215,576
	<u>3,666</u>	<u>215,576</u>

<b>12 Creditors: amounts falling due within one year</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Mortgage loan (secured)	5,380	5,380
Other taxes and social security costs	14,045	15,189
Other creditors	311,193	164,866
	<u>330,618</u>	<u>185,435</u>

Included in creditors within one year are advance box office receipts in respect of performances which take place after 31 March 2010

<b>13 Creditors, amounts falling due after one year</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Mortgage loan (secured)	<u>206,738</u>	<u>217,681</u>
Repayable between one and five years	91,453	91,453
Repayable in five years or more	<u>126,228</u>	<u>126,228</u>
	<u>206,738</u>	<u>217,681</u>

<b>14 General fund</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
At 1 April	59,650	(147,868)
Surplus/(deficit) for the period	164,350	202,209
Transfer from Original Theatre fund	5,309	5,309
	<u>229,309</u>	<u>59,650</u>
At 31 March		

**Polka Children's Theatre Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2010**

<b>15 Original Theatre fund</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
At 1 April	356,155	361,464
Transfer to the profit and loss account	(5,309)	(5,309)
At 31 March	<u>350,846</u>	<u>356,155</u>

Grants and donations received towards the cost of the new theatre and the annexe between 1977 and 1983 were credited directly to the Original Theatre fund. A proportion of the fund is credited to the current year's statement of income and expenditure in respect of assets purchased originally with original theatre monies.

**16 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.

<b>17 Reconciliation of movement on accumulated funds</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
At 1 April	1,112,473	934,128
Surplus for the financial year	164,350	202,209
Revaluation reserve	(23,864)	(23,864)
At 31 March	<u>1,252,959</u>	<u>1,112,473</u>
Fund balances at 31 March are represented by		
Tangible fixed assets	1,139,315	1,167,189
Net assets and liabilities	113,644	(54,716)
	<u>1,252,959</u>	<u>1,112,473</u>
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**18 Legal status**

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



**Polka Children's Theatre Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2010**

**19 Taxation**

As a registered charity, Polka Children's Theatre Limited is not subject to the provisions of the current legislation relating to corporation tax and capital gains tax

**20 Going concern**

The charity is dependent upon the continued support of its donors and public funders for its ongoing operation

**21 Related party transactions**

The company directors were not paid or reimbursed expenses during the year and no company director received any emolument or payment for professional or other services