



**POLKA CHILDREN'S THEATRE LIMITED**

Companies House

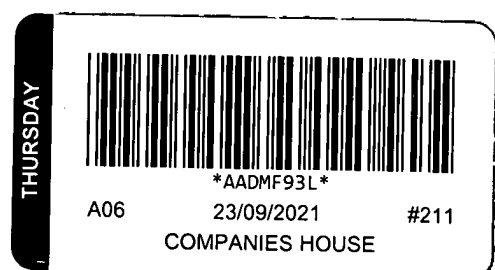
**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31<sup>ST</sup> MARCH 2021**

**Registered Charity Number 256979**

**Registered Company Number 00938592**



**POLKA CHILDREN'S THEATRE LIMITED**

**Annual Report and Financial Statements for the year ended 31st March 2021**

**Contents**

	<b>Page</b>
<b>Report of the Trustees</b>	<b>1 - 14</b>
<b>Independent Auditor's Report</b>	<b>15 - 19</b>
<b>Statement of Financial Activities</b>	<b>20</b>
<b>Balance Sheet</b>	<b>21</b>
<b>Statement of Cash Flows</b>	<b>22</b>
<b>Notes to the Financial Statements</b>	<b>23 - 41</b>

**POLKA CHILDREN'S THEATRE LIMITED****REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021**

The trustees are pleased to present their report together with the financial statements of the charitable company for the year ended 31<sup>st</sup> March 2021.

**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Charity Number:</b>	256979
<b>Company Number:</b>	00938592
<b>Company Secretary</b>	Lynette Alston
<b>Principal Office:</b>	240 The Broadway, Wimbledon, London SW19 1SB
<b>Auditor</b>	Buzzacott LLP, 130 Wood Street, London, EC2V 6DL
<b>Bankers</b>	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 following served as trustees during the year and up to the date of signing this report, except where shown:

Chair:	Sarah King
Deputy Chair:	Vivienne Creevey
Treasurer:	Nigel Halkes
	Michael Bradley
	Mairi Brewis
	Bilal Hafeez
	Alison Harpur (appointed 13 May 2020)
	Rebecca Holt
	Katy Manuel (retired 4 December 2020)
	Dr Gerard Silverlock
	Nicola Theron
	Emily Vaughan-Barratt

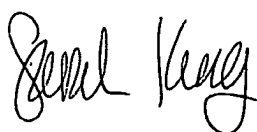
**POLKA CHILDREN'S THEATRE LIMITED****REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****A VIEW FROM THE CHAIR**

The past year could almost have been a plot line for one of Polka's productions, an extraordinary tale of unexpected challenges overcome through sheer determination and inventiveness plus a lot of help from our friends! A well-managed organisation should be able to emerge stronger from any crisis and we have certainly done that. I know the Board join me in expressing our profound thanks to all involved, especially the management team and Arts Council England but I also wish to convey our very real pride in Polka's transformation and the organisation it is becoming.

It is hard to appreciate but when the doors of Polka closed for the rebuilding project in February 2019, even allowing for contingencies, we envisaged reopening by Summer 2020. We have reopened more than a year later, in August 2021. No one could have foreseen how long the pandemic would last and having already been closed for more than a year when lockdowns began, as month followed month, it became clear the reserves carefully built up for the closure period were desperately needed. That we are now looking forward to reopening in such good shape is down to prudent management, the ingenuity of the team and the extraordinary support of our funders who took the time to understand the particular situation we were facing and to help meet our needs and the needs of our audiences.

With the team scaled right back everyone has worked extraordinarily hard to meet the challenges of the extended closure period. Although in-person activities had to be cancelled, with a lot of inventiveness and cardboard, Polka Online was born. All our workshops, storytelling and community support was redesigned to work digitally and the response was amazing, reaching as far afield as France and Hong Kong. Given the importance of the work, especially for children facing challenging situations at home or with special needs, we also ensured that access to technology was never a barrier to children taking part.

With the closure, we also took the opportunity to review our mission, our offer, our business model, our policies, our governance framework ... in fact, like the building itself, no stone was left unturned – every aspect was considered. The result is a totally revitalised force for children's theatre and creative learning, ready to reconfirm its place in the ecology of Britain's arts sector.



***Sarah King,***

***Chair, Board of Trustees***

**POLKA CHILDREN'S THEATRE LIMITED****REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****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, 14th October 1993 and 8th February 2012. 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 determines the long-term objectives of the company. It meets quarterly and detailed oversight is further assured through a structure of Board Working Groups covering finance, development, operations, artistic and creative learning programming, and marketing and commercial activities. 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.

The remuneration of the Executive Officers is recommended to the Board of Trustees by the Finance Working Group with reference to comparable salary levels within the subsidised theatre sector.

Executive Officers:            Peter Glanville, Joint Chief Executive and Artistic Director  
   Lynette Alston, Joint Chief Executive and Company Secretary

The Executive Officers represent Key Management Personnel and their cost of employment for the year totalled £111,633.

**POLKA CHILDREN'S THEATRE LIMITED****REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****Public Benefit**

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

**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, singing and music.

The overarching mission of the organisation is *to empower children to navigate their world through inspirational theatre and creative experiences*. Polka wants to give as many children as possible, from all backgrounds, the opportunity to experience thrilling, innovative, world-class theatre, and creative learning opportunities, in a welcoming space that they can call their own.

**Strategic Objectives**

- To produce an inspiring, diverse and inclusive programme of world-class theatre and creative learning opportunities for children aged 0-12
- To provide a welcoming and inclusive space dedicated to the playful inspiration of children, where families, schools and communities come together
- To give as many children as possible, from all backgrounds, the opportunity to access the enriching theatre experiences we provide
- To support children's learning and personal development
- To be a locally, nationally and internationally valued organisation
- To drive pioneering practice within children's theatre
- To be a financially and environmentally sustainable and responsible organisation
- To provide a respectful and supportive environment for staff and volunteers to achieve their best for the benefit of our beneficiaries.

**POLKA CHILDREN'S THEATRE LIMITED****REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****Our Values**

- Child-centred - placing children at the heart of everything Polka does
- Community - engaging our diverse communities of children, families, educationalists and artists
- Excellent - pioneering, adventurous, offering the highest quality
- Memorable - creating magical, meaningful experiences
- Inclusive - welcoming, accessible, nurturing, supportive, representative.

**Overview**

In February 2019 the Theatre closed for the first radical redevelopment of the premises since Polka first opened its doors in 1979. The redevelopment aims to provide new and improved accessibility and community play spaces, better facilities for artists and staff, and greater opportunities for earned income generation through an enlarged shop and café and more attractive spaces for hire. However, the Covid-19 pandemic has had a significant impact on the redevelopment, prolonging the closure period and increasing costs. The Theatre began to reopen to the public in late summer 2021.

Like many theatre venues and companies, the forced closure of live events during much of the year created new opportunities to develop an online presence and range of digitally based activities. From a standing start, over the course of the year, we reached over 16,000 children and adults through online creative activities – live workshops, recorded storytelling, hybrid live and recorded schools' programmes, and made-for-digital theatre and audio performances. Alongside this, in response to demand, we delivered live work wherever possible and safe, including launching our schools Mental Health & Wellbeing Workshops, which has evolved into a series of free digital workshops and resources for primary level teachers and schools across the UK and beyond. Given the impact, the innovative and responsive nature of this work is something we intend to maintain in the coming years.

**POLKA CHILDREN'S THEATRE LIMITED****REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****Overview (continued)**

With the Theatre already closed and staffing reduced to a minimum, it is hard to overstate the adjustment the year has demanded from our team. Our temporary office at New Wimbledon Theatre was not accessible, so equipment was put into storage and staff moved to home working. Supporting the team to navigate this massive change, both operationally and emotionally, proved a significant challenge to the organisation as we learnt how to contribute remotely effectively. Membership of the ChangeCreation programme 2019-21 was maintained which provided our Joint CEOs with support to help navigate the challenges of the pandemic, and we turned to our communities through our Board working groups to help understand what was happening for our different stakeholders, and importantly what they needed from us. Meeting challenge through innovation, we ended the year having worked with over 22,000 children and adults making sure Polka was doing its bit to support the creativity and wellbeing of children.

**Finance**

Polka has continued with a reduced core staff team, supplemented by fixed-term and freelance workers and volunteers as required. From April to November 2020, we made use of the government's Coronavirus Job Retention Scheme, with over half the PAYE team on full or flexi furlough. This has enabled us to sustain the company through a high-risk period, retaining all staff, whilst still delivering our charitable aims and projects. In addition, we took out a CBILS loan in September 2020, details of which are given in Note 12 to the accounts.

*Revenue*

Polka operates a mixed funding model, with both earned and funded sources vital to enable the company to operate effectively. With the theatre closed, there was no Box Office income, but unlike the previous year the pandemic also curtailed income from touring and Creative Learning activity including our schools programmes. Some income was earned through digital delivery of workshops, but the proliferation of free offers from other companies and the significant investment required to deliver quality digital-born creative work meant digital income was limited. Alongside strong control of costs, support from funders, both public and private, has proved fundamental in sustaining the core function of the organisation and enabling our Creative Learning work to transfer online, with only 4% of our income coming from earned sources during the year (8% in YE 2020).



**POLKA CHILDREN'S THEATRE LIMITED****REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****Finance (continued)***Revenue (continued)*

Support from Arts Council England and Merton Council continued to be vital, accounting for 64% of our income (66% in YE 2020, 34% YE 2019 pre closure). We continued as an Arts Council England National Portfolio Organisation for the period 2018-22. Looking ahead, delivering quality work at a time of declining public funding remains an on-going challenge, but Polka is well placed to respond to the priorities of public funders in such areas as creative education for children, health and wellbeing, community engagement and community cohesion, representation and diversity. These priorities will become ever more pressing over the next few years as we adjust to the long-term impact of the pandemic.

*Capital*

Generous support for Polka's capital project has come from a wide range of sources, from local to national level, individual to public. Fundraising has continued throughout the project, with the pandemic adding over £800K to its delivery costs. The widespread engagement with the capital redevelopment presents significant opportunities to develop new individual giving and corporate support, which will be taken forward into longer-term revenue fundraising streams. Details of our capital funders is given in Note 5 to the accounts.

**Covid-19 Impact**

The impact of Covid-19 has continued to have a significant impact throughout the year:

- *Capital project cost increase:* the prolongation of the project has resulted in an uplift of costs, currently estimated at £800K
- *Capital project delay:* completion had to be postponed from Autumn 2020 to Summer 2021, resulting in the loss of our lucrative opening Winter 2020 season and related earned income (estimated impact of £600K+) and delay in recruiting a full staff team
- *Cancellation of activities:* PolkaLAB, production development activities, fundraising events (revenue and capital), income generating projects (After School Clubs, public participation activities, Summer 2020 run of *The Paper Dolls* at New Wimbledon Theatre Studio) have all had to be cancelled, resulting in lost income, abort costs and delays to new project development

**POLKA CHILDREN'S THEATRE LIMITED****REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****Covid-19 Impact (continued)**

- *Impact on fundraising:* live event plans, the mainstay of the final capital campaign fundraising, had to be cancelled and alternatives found such as an online quiz; much of the revenue funding raised during the year was ring fenced for reopening activities which have now been carried forward to the following year
- *Government policy regarding live theatre:* the lack of certainty around the regulation of live theatre performances and especially social distancing, added considerable pressure to the planning process and is likely to continue throughout 2022/23, when it likely will have a profound impact on box office income
- *Working patterns:* the need for staff to continue to work from home, with in-person away days when safe to do so, has meant investment in IT provision and new ways of working. A hybrid work pattern is anticipated by most charities, but the longer-term impact to staff development and employment costs has yet to be fully established.

**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
- The implementation of procedures designed to minimise any potential impact on the company should those risks materialise.

A risk register is reviewed at each quarterly Board meeting.

The principal risks and mitigations identified at 31<sup>st</sup> March 2021 were:

- Impact of Covid-19/ lockdown and the workload arising from the capital project on mental health– additional project management, marketing, HR, fundraising and volunteer support is being utilised, with outsourced consultancy used to drive forward projects; an Employee Assistance Programme and mental health resources, alongside social activities, have helped support staff.
- Capital project risks including rising costs – the Capital Steering Group has led rigorous interrogation and ongoing monitoring of all projected and actual costs; all opportunities for project efficiencies and capital fundraising have been utilised, wherever possible.

**POLKA CHILDREN'S THEATRE LIMITED****REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****Risk Management (continued)**

- Failing to meet revenue fundraising targets - these have been moderated during the closure period to ensure achievability, and quarterly reports are received by the Board; a CBILS loan with Barclays has been arranged to support working capital.
- Impact of Covid-19 on the delivery of the capital project in the short term, reduced capacity of live events and subsequent financial viability of the reopening programme in the long term – Polka has worked hard to retain its visibility and brand during the pandemic and closure with new projects announced for 2021/22; we are planning all activities with as much flexibility as possible, controlling fixed overheads and continuing good funder relationships.

Attention has also been given to non-financial risks arising from health and safety of staff and child protection. These risks are managed by having robust policies and procedures in place, regular training for staff working in these operational areas and monitoring by a staff safety team and the Board. Polka's Working Group structure enables a wider range of stakeholders to input to and influence decision making within the organisation, focusing on key areas including Artistic, Operations, Sales & Marketing, Finance & Fundraising, Community and Young Voices.

**Reserves Policy**

This year has been highly unusual due to the continuing capital project and pandemic. 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 the organisation against potential reductions in grant-aided income, fluctuations in earned income and unplanned expenditure, particularly emergency repairs and maintenance to the theatre premises going forward. They also note the particular situation caused by the Covid-19 pandemic, and the potential impact on the charity's operations in future years. They consider that unrestricted general reserves should be maintained at a level at least equal to three months' "core" revenue operating expenditure, which, at normal operating levels (when the building is open) equates to approximately £250,000. In compliance with this policy, the unrestricted general reserves at 31<sup>st</sup> March 2021 amounted to £452,458.

The Trustees recognise that unrestricted reserves may need to be utilised to support operations in this unprecedented environment (any such use will be agreed through the usual governance structure of the organisation), but consider that the current reserve levels remain appropriate for the organisation. The Board designates reserves for specific purposes out of unrestricted funds each year as required when approving the annual accounts. Expenditure out of designated reserves is then approved in accordance with normal authorisation policies. Designated reserves at 31<sup>st</sup> March 2021 amounted to £673,641 (see Note 16 to the Accounts).

**POLKA CHILDREN'S THEATRE LIMITED****REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****YEAR IN REVIEW**

Polka is a pioneering national theatre for children based in Wimbledon, Southwest London. The first UK venue to be created exclusively for young audiences, we specialise in work for children aged 0-12 years and remain one of very few theatres in the UK that regularly commissions and produces new work for children in this age range. Since 1979, we have built a local, national and international reputation and are recognised for the quality of our productions through which children explore the world and their relationship to it. We are at the forefront of developments in work for Early Years audiences and we champion 'Young Voices', providing children with a platform for their ideas and opinions by developing productions derived from their ideas and involving them in the creative process.

We provide enabling, nurturing and safe environments to stimulate young minds and imaginations, and fuel a sense of discovery and open play. Our capital redevelopment (2019-21) marks a new phase in the organisation's history, creating a new space that reflects our inclusive and accessible values and re-imagining how our venue can cater for and inspire new generations of young audiences, school groups and families.

**Productions, Touring and Professional Development**

The pandemic meant that live theatre was affected by cancellations or delays, with our revival of *The Paper Dolls* at New Wimbledon Theatre Studio in summer 2020 cancelled. *Mapping*, the Culture Europe funded project to explore early years theatre practice that Polka is part of, alongside 17 other EU countries, was paused during the year with a revised hybrid digital/live schedule extended through to 2023.

During each lockdown our attention has shifted to online provision to bring theatre into children's homes, extending our digital reach nationally and internationally to connect with children who would never normally be able to access our work. We commissioned a born-digital family production of *A Christmas Carol*, created by Ian Nicholson and Sam Wilde, bringing cardboard theatre alive in a free 15-minute filmed performance – this achieved over 3,000 watches during the 3-week release. Subtitling and an audio described version, commissioned via VocalEyes, ensured the film was accessible.

*"An inventive & compelling retelling of a Christmas classic – a great introduction to the tale of Mr Scrooge for audience members young & old!"* MindtheBlog

We also worked with theatre company Inspector Sands to co-commission *Rockpool*, a six-part audio play for 4 to 7- year olds, which over 1,300 people accessed via our website.

**POLKA CHILDREN'S THEATRE LIMITED****REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****Productions, Touring and Professional Development (continued)**

PolkaLAB, our professional development programme for BAME and disabled artists addressing barriers to diversity in creating work for children, was also largely paused during the year. We have extended the programme by a year for the new PolkaLAB artists who joined us from September 2019 for an 18 month period:

- Nikki Charlesworth is developing a semi-autobiographical puppet piece exploring her experiences living with Cerebral Palsy and the wider experience of those living with disabilities in the UK today. Following a scratch night at Cast Doncaster, she secured additional support from Derby Theatre and Without Walls.
- Northern based company Two Tonne is developing a beat box musical for children aged 3-5, which will explore similarity and difference in the context of racism and multiculturalism in Britain. They have additional support for the project from ARC Stockton and Creative Scene.
- Subathra Subramaniam is developing a playful, interactive dance piece exploring the theme of plastics, alongside UCL's Institute of Making. It will explore why we use plastics and how they are made. She was announced as Artistic Director of Akademi Dance in autumn 2019.

We partnered with Unlimited to co-commission a new piece of work for children by disabled performer Lilac Yosiphon, which will be developed and performed in 2022. Disabled Artist Daryl Beeton continued as an Associate Artist and Matthew Crowfoot continued as freelance Access Consultant.

Co-producers Brunskill & Grimes undertook a covid-safe research and development period for a new production, *This Moose Belongs to Me*, and our Artistic Director Peter Glanville led a remote research and development project for *Cycle*, our new Early Years production as part of EU funded project *Mapping*. Both productions are due for realisation in 2022.

Through the early stages of the pandemic, we supported a freelancer as part of the Freelance Taskforce, ensuring that freelancers (who make up 70% of the theatre sector) had a voice. Our offsite workshop and storage facility provided us with the opportunity to offer construction services for other organisations and to hire out making space.

Staff contributed to debate and learning in the sector through involvement at various events, including Artistic Director Peter Glanville taking part in a director's talk via Zoom for Tramshed, alongside directors from Unicorn, Half Moon and Little Angel Theatre.

**POLKA CHILDREN'S THEATRE LIMITED****REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****Creative Learning**

In response to the pandemic, Polka's Creative Learning department quickly pivoted the extensive programme of live activities to reshape them for hybrid digital and live delivery. In March 2020 we launched **Polka Online**, a range of digital content including workshops and storytellings, plus resource packs for families and teachers to use. We also continued a number of our programmes via hybrid live and virtual methods including Write Here, Write Now, Freefalling and Re:Sound choir.

In total, 17,664 children and adults accessed these activities – of these 3,131 took part in live activities either in-person or via Zoom, with the rest seeing recorded Creative Learning content. We estimate that 47% of live participants were new to Polka.

We continued our intergenerational community choirs project Re:Sound, switching to online sessions from June 2020 in partnership with Merton Music Foundation, with the majority of participants able to continue engaging. The choir recorded the song *Gather and Sing* by Pete Churchill – contributions were recorded individually and were then blended together by a sound engineer. This uplifting song was released on New Year's Day 2021 as we went through lockdown again.

Our Freefalling weekly workshops for children facing challenging circumstances at home or at school also shifted to online delivery for weekly workshops and creation of digital content, but an in-person summer-school in August 2020 provided welcome relief – the children devised and performed in an imaginative film called *Mind Games* which was released online via YouTube.

Write Here, Write Now, our new literacy project specifically for Year 3 students (7 to 8 years) who have aptitude but are not reaching their full potential due to low confidence, was rolled out to 12 schools including one SEND school, largely through digital sessions with over 50 filmed workshops delivered. Teacher feedback has been excellent, with 88% of teachers rating the value of the sessions as Very High (12% showed High). The programme began its second year in spring 2021.

We continued to work with our Young Voices Panel, a group of 8 to 13-year olds who are involved and advise us on all aspects of Polka, ensuring children remain at the heart of our work. This included commenting on the redevelopment plans and visiting our building site as well as contributing to fundraising and communications activities. We also developed new online participation workshops with over 20 holiday workshops delivered to children in their homes with parents and carers.

**POLKA CHILDREN'S THEATRE LIMITED****REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****Creative Learning (continued)**

In autumn 2020 we were able to get back to live in-school workshops, with 16 sessions delivered including our new Mental Health and Wellbeing workshops, which were featured on BBC News. Following the second lockdown in Dec 20/Jan 21, we developed these workshops into a series of multiple videos suitable for Reception to Year 6, providing free resources for teachers across the country to use to support children's mental health and wellbeing during the pandemic. We had nearly 1,000 views of the films and received excellent feedback. These are now being further developed into more general Health and Wellbeing resources for teachers, with new content due to be released in September 2021.

We continued our engagement with the community wherever possible. Activities included a filmed workshop inspired by author Julia Donaldson's *Sharing a Shell* in February 2021. The workshop was delivered as a multisensory concept for children who are blind or visually impaired. We delivered sensory story bags which included shells, foil strips to be seaweed and flashing sensory balls, to all participating children, which were then used as part of the guided digital workshop. A further three filmed storytelling workshops were also provided to Children's Centres in March. We also expanded the membership of our Community Working Group, which has been fundamental in ensuring we understand what our communities have needed from us during this pandemic.

We continued to work with 25+ volunteers on the Polka40 project exploring the history of the company – completing 20 oral history recordings and preparing them for digital release on our website, plus creation of an online booklet and exhibition to be installed at the theatre upon reopening.

Where necessary we provided Chromebooks to children and choir participants to ensure that access to technology was never a reason for people not to take part in online sessions.

**Environmental Sustainability**

Our redevelopment project will hugely improve the environmental sustainability of the building – we achieved a BREEAM 'Excellent' rating for the Design phase of the project, aiming to retain this at completion. We also worked with Crew Energy, who support not-for-profit organisations to improve the environmental impact of their venues, planning additional improvements to the theatre building beyond the scope of the main redevelopment. Funding from the London Community Energy Fund, alongside other private funders, is enabling energy efficiency improvement works to take place in Summer 2021.

**POLKA CHILDREN'S THEATRE LIMITED****REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31st MARCH 2021****Organisational Resilience**

Strongly controlled expenditure and robust fundraising, particularly through our public appeal, new events, campaigns and corporate support has increased our unrestricted income, helping to mitigate the higher risk activity of the capital project. The unforeseen impact of Covid-19 will undoubtedly put the company in a challenging position going into the reopening, but our performance this year has helped provide a stable footing to meet these challenges. Our fundraising strategy and delivery continue to bring new supporters to the theatre, and ensure we can continue to deliver our charitable activities during closure.

We supported the sector by leading the creation of a new Arts Finance Working Group, with over 60 members from across a range of England-wide arts and culture organisations of varying scale. The group, started in September 2020, provides an opportunity for in-house and freelance finance professionals to come together at 4-6 week intervals to exchange practical knowledge and support.

**Fundraising Policy**

We raise a limited percentage of our revenue funds from members of the public. We are registered with the Fundraising Regulator and all fundraising conducted on behalf of Polka, whether by committees, volunteers or staff, must comply with the Code of Fundraising Practice, Polka's policies and all relevant legislation.

**Statement of Trustees' Responsibilities**

The Trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company 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 judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.



**POLKA CHILDREN'S THEATRE LIMITED**

**REPORT OF THE TRUSTEES**

**FOR THE YEAR ENDED 31st MARCH 2021**

**Statement of Trustees' Responsibilities (continued)**

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 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.

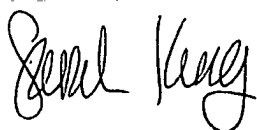
In accordance with company law, as the company's directors, we certify that:

- 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.

**AUDITOR**

A resolution will be proposed at the Annual General Meeting that Buzzacott LLP be re-appointed as auditor to the company for the ensuing year.

This report was approved by the trustees on 8<sup>th</sup> September 2021.



**Sarah King**

**Chair**

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**POLKA CHILDREN'S THEATRE LIMITED**

**Independent auditor's report to the members of Polka Children's Theatre Limited**

**Opinion**

We have audited the financial statements of Polka Children's Theatre (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, and statement of cash flows and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**POLKA CHILDREN'S THEATRE LIMITED**

**Other information**

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which 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; or

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**POLKA CHILDREN'S THEATRE LIMITED**

**Matters on which we are required to report by exception** (continued)

- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

**Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**POLKA CHILDREN'S THEATRE LIMITED**

**Auditor's responsibilities for the audit of the financial statements** (continued)

- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the accounts are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011), Companies Act 2006 and those that relate to data protection (General Data Protection Regulation).

We assessed the susceptibility of the charitable company's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates for the calculation of the annual depreciation charge; the allocation of support costs between charitable expenditure categories; and the estimation of future income and expenditure flows for the purpose of assessing going concern were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**POLKA CHILDREN'S THEATRE LIMITED**

**Auditor's responsibilities for the audit of the financial statements** (continued)

A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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

*Buzzacott LLP*

Catherine Biscoe (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 21 September 2021

**POLKA CHILDREN'S THEATRE LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31st MARCH 2021**

	Notes	Unrestricted Funds General £	Unrestricted Funds Designated & Revaluation £	Restricted Funds Revenue grants £	Restricted Funds Capital project £	Total 2021 £	Total 2020 £
<b>INCOME FROM</b>							
Grants and donations	5	1,030,075	-	118,043	1,681,084	2,829,202	4,594,788
Charitable activities	2	36,649	-	-	-	36,649	71,238
Investment income	4	3,980	-	-	-	3,980	7,097
<b>Total Income</b>		<b>1,070,704</b>	<b>-</b>	<b>118,043</b>	<b>1,681,084</b>	<b>2,869,831</b>	<b>4,673,123</b>
<b>EXPENDITURE ON</b>							
Raising funds	3	88,828	-	-	88,930	177,758	174,254
Charitable activities							
Operation of theatre and related activities	3	431,122	21,812	66,585	-	519,519	650,798
Building redevelopment project	3	-	-	-	226,962	226,962	166,612
<b>Total Expenditure</b>		<b>519,950</b>	<b>21,812</b>	<b>66,585</b>	<b>315,892</b>	<b>924,239</b>	<b>991,664</b>
<b>Net Income/(Expenditure)</b>		<b>550,754</b>	<b>(21,812)</b>	<b>51,458</b>	<b>1,365,192</b>	<b>1,945,592</b>	<b>3,681,459</b>
<b>Transfers between funds</b>	16	<b>(476,259)</b>	<b>476,259</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>74,495</b>	<b>454,447</b>	<b>51,458</b>	<b>1,365,192</b>	<b>1,945,592</b>	<b>3,681,459</b>
<b>Balance at 1<sup>st</sup> April 2020</b>		<b>377,963</b>	<b>1,300,496</b>	<b>262,561</b>	<b>5,698,839</b>	<b>7,639,859</b>	<b>3,958,400</b>
<b>Balance at 31<sup>st</sup> March 2021</b>		<b>452,458</b>	<b>1,754,943</b>	<b>314,019</b>	<b>7,064,031</b>	<b>9,585,451</b>	<b>7,639,859</b>

All income and expenditure is derived from continuing activities.

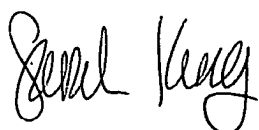
The statements of financial activities includes all gains and losses recognised during the year.

**POLKA CHILDREN'S THEATRE LIMITED****BALANCE SHEET****AS AT 31st MARCH 2021**

	Notes	£	2021	£	£	2020	£
<b>FIXED ASSETS</b>							
Tangible Assets	9			8,223,352			4,548,412
<b>CURRENT ASSETS</b>							
Stock	10		-			594	
Debtors	11		159,152			243,941	
Cash at bank and in hand			<u>1,850,881</u>			<u>3,242,750</u>	
			2,010,033			3,487,285	
<b>CREDITORS:</b>							
<b>Amounts falling due within one year</b>	12		<u>(289,920)</u>			<u>(230,977)</u>	
<b>NET CURRENT ASSETS</b>							
				<u>1,720,113</u>			<u>3,256,308</u>
<b>Total assets less current liabilities</b>							
				9,943,465			7,804,720
<b>CREDITORS:</b>							
<b>amounts falling due after more than one year</b>	13		<u>(358,014)</u>			<u>(164,861)</u>	
			<u>9,585,451</u>			<u>7,639,859</u>	
<b>THE FUNDS OF THE CHARITY</b>							
<b>Unrestricted</b>							
General Fund	14			452,458			377,963
Revaluation Reserve	15			1,081,302			1,099,691
Designated Reserves	16			673,641			200,805
<b>Restricted</b>							
Capital Project Fund	17			7,064,031			5,698,839
Other Restricted Funds	17			<u>314,019</u>			<u>262,561</u>
				<u>9,585,451</u>			<u>7,639,859</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 and with the Financial Reporting Standard 102.

The financial statements were approved by the Board of Directors on 8<sup>th</sup> September 2021 and signed on their behalf by:



Sarah King

Company Number: 00938592



**POLKA CHILDREN'S THEATRE LIMITED****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31st MARCH 2021**

	<b>2021</b>	<b>2020</b>
	£	£
<b>OPERATING ACTIVITIES</b>		
Net income/(expenditure) for the reporting period	1,945,592	3,681,459
Depreciation charge	50,011	49,949
Interest payable	4,610	6,669
Investment income	(3,980)	(7,097)
Decrease in debtors	84,789	108,758
Decrease in creditors	74,708	7,863
Decrease in stock	594	-
<b>Net cash provided by / (used in) operating activities</b>	<u>2,156,324</u>	<u>3,847,601</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of assets	(3,724,951)	(1,842,512)
Investment income	3,980	7,097
<b>Net cash provided by / (used in) investing activities</b>	<u>(3,720,971)</u>	<u>(1,835,415)</u>
<b>FINANCING ACTIVITIES</b>		
Interest payable	(4,610)	(6,669)
Loan repayment	(29,201)	(28,260)
CBILS loan	250,000	-
<b>Cash flows from financing activities</b>	<u>216,189</u>	<u>(34,929)</u>
<b>Change in cash and cash equivalents in the reporting period</b>	<u>(1,348,458)</u>	<u>1,977,257</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<u>3,199,339</u>	<u>1,222,082</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	<u>1,850,881</u>	<u>3,199,339</u>

**Analysis of cash and cash equivalents:**

	<b>2021</b>	<b>2020</b>
	£	£
Cash in hand	1,850,881	3,242,750
Overdraft facility repayable on demand	-	(43,411)
	<u>1,850,881</u>	<u>3,199,339</u>

**POLKA CHILDREN'S THEATRE LIMITED****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31st MARCH 2021****Reconciliation of changes in net debt:**

	2020 £	Cash Flows £	Other Non- cash movements £	2021 £
<b>Cash and cash equivalents</b>				
Cash at bank and in hand	3,242,750	(1,391,869)	—	<b>1,850,881</b>
	3,242,750	(1,391,869)	—	<b>1,850,881</b>
<b>Borrowings</b>				
Overdraft facility repayable on demand	(43,411)	43,411	—	—
Mortgage due within one year	(35,021)	33,811	(32,290)	<b>(33,500)</b>
Mortgage due after more than one year	(164,861)	—	27,680	<b>(137,181)</b>
CBILS loan	—	(250,000)	—	<b>(250,000)</b>
	(243,293)	(172,778)	(4,610)	<b>(420,681)</b>
<b>Total cash and cash equivalents</b>	<b>2,999,457</b>	<b>(1,564,647)</b>	<b>(4,610)</b>	<b>1,430,200</b>

**POLKA CHILDREN'S THEATRE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****1. ACCOUNTING POLICIES****Accounting Convention**

The financial statements have been prepared in accordance with the Charities SORP (FRS102), with the Companies Act 2006, and with applicable Accounting Standards. They have been prepared under the historical cost convention and in accordance with FRS (102). The charity is a public entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

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

**Going concern**

The Trustees have considered the requirement that the financial statements should be prepared on a going concern basis. They have discussed at length the effects of Covid-19 and its potential impact on the charity's operations in 2021-22 and beyond. They have concluded that it is appropriate that the financial statements be prepared on a going concern basis.

In making this assessment, the Trustees have considered whether there is a material uncertainty that the charity can continue as a going concern and how this should be presented in the financial statements. They have concluded that whilst the degree of uncertainty described in the Report of the Trustees warrants transparent disclosure, it does not constitute a material uncertainty related to going concern.

Risks continue to be managed through risk assessments and scenario planning as new external and internal factors arise. The 2021-22 budget includes contingency to support what will be a challenging winter period, and the 2022-23 forecast is based on break even planning with strong focus on growing individual giving. The charity has on-going support from its bankers and funders, with significant grants secured focused on recovery from the impact of Covid-19. As at end July 2021 it has secured approximately 65% of its budgeted revenue target for voluntary income or donations in 2021-22. The capital project will come to an end during 2021-22 and we have achieved our fundraising target of £8.5m. The latest estimated cash flow forecast has been drawn up through to March 2023 based on reopening in August 2021.

Taking into account the above, as well as the charity's cost base and reserves position at 31<sup>st</sup> March 2021 and having looked at least 12 months from the date of signing these accounts, the Trustees have concluded that there are no material uncertainties about the charitable company's ability to continue as a going concern.

**POLKA CHILDREN'S THEATRE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****1. ACCOUNTING POLICIES (continued)****Building Redevelopment Project**

The Building Redevelopment Project costs included in note 3 comprises all expenditure relating to the redevelopment of the Theatre, which includes the costs of constructing the redeveloped theatre and related professional fees, as well as fundraising costs and any expenditure relating to the temporary closure of Polka Theatre.

The costs which are directly attributable to the construction of the redeveloped theatre have been capitalised in accordance with FRS 102 in the year and all other project costs are written off when they expended.

**Tangible Fixed Assets**

Tangible fixed assets with an economic life of more than one year are capitalised if their cost exceeds £1,000.

The freehold and leasehold buildings were revalued at £1,575,000 in the 2014 year, with the uplift in value being credited to the revaluation reserve. This was undertaken as allowed under the transition to FRS 102 with the revalued amount being treated as deemed cost from this point. The additional depreciation charge that results from this uplift in valuation is set against the revaluation fund each year.

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 and machinery	10%

Costs in respect of the Building redevelopment project will not be depreciated until the project is complete and the building is brought back into use during 2021-22.

**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 accounted for when the charity is entitled to the income, the receipt is probable and the amount can be estimated with reasonable certainty.

**1. ACCOUNTING POLICIES (continued)**

**POLKA CHILDREN'S THEATRE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****Resources expended**

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

**Pensions**

All eligible and entitled workers for the company are able to participate in its registered auto-enrolment pension scheme operated by NOW Pensions. This scheme is open to any employee over 16 who has been with the company for at least 3 months and earns above the relevant earnings threshold. The company currently offers an employer's contribution of 1% of the employee's gross earnings.

**Theatre Tax Relief**

Theatre Tax Relief (TTR) is taken into account when the amount recoverable can be reasonably estimated and the receipt is probable.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight line basis over the period of the lease.

**Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

**Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

**Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

**POLKA CHILDREN'S THEATRE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****1. ACCOUNTING POLICIES (continued)****Financial instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently valued at their settlement value.

The charity only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of financial activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the charity would receive for the asset if it were to be sold at the reporting date.

**Fund accounting**

The reserves of the charity are as follows:

Restricted funds comprise monies set aside for particular projects or purposes in accordance with the instructions of the grantor.

Designated funds are monies set aside of unrestricted general funds and designated for specific purposes by the trustees.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

**Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the members of the management committee to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets; and
- apportionment of expenditure across each activity.

**POLKA CHILDREN'S THEATRE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****2. INCOME**

	<b>2021</b>	<b>2020</b>
	£	£
Box Office	125	30,851
Creative Learning	7,206	39,170
Royalties, touring and co-production fees	-	650
Merchandising	-	245
Lettings and hires	5,375	322
Theatre tax relief	23,943	-
	<u>36,649</u>	<u>71,238</u>

**3. EXPENDITURE**

	<b>2021</b>	<b>2020</b>
	£	£
<b>Raising Funds</b>		
Salaries and wages	78,102	56,917
Sponsorship and events	10,726	8,819
Capital project fundraising	88,930	108,518
	<u>177,758</u>	<u>174,254</u>

**Charitable Activities*****Operation of a theatre and related activities***

Actors, production and Creative Learning costs	121,058	188,355
Café costs	-	790
Direct Costs	179,007	169,457
Project costs	17,040	4,077
Central and premises costs	29,046	52,851
Depreciation	50,011	49,949
Marketing	36,663	76,879
Governance costs (see below)	86,694	108,440
	<u>519,519</u>	<u>650,798</u>

***Building Redevelopment project***

Total project costs for the year	4,028,729	2,117,642
Less Fundraising costs (see above)	(88,930)	(108,518)
Less Capitalised costs (see note 9)	<u>(3,712,837)</u>	<u>(1,842,512)</u>
	<u>226,962</u>	<u>166,612</u>

**Governance costs**

Salaries and Wages	48,227	80,977
Audit and accountancy	12,580	8,140
Office costs	25,887	19,323
	<u>86,694</u>	<u>108,440</u>

**POLKA CHILDREN'S THEATRE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****4. INVESTMENT INCOME**

	<b>2021</b>	<b>2020</b>
	£	£
Bank interest received	3,980	7,097
	<u>3,980</u>	<u>7,097</u>

**5. GRANTS AND DONATIONS**

Polka continues to be part of Arts Council England's National Portfolio Organisations – with a renewed funding agreement for 2018-22 confirmed. The London Borough of Merton continues to support the theatre although this revenue grant will begin to decrease to zero within 3 years from 2020.

We continued to build corporate support through sponsorship of events and corporate giving, and we continued to receive project and core support from a wide range of trusts and foundations.

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total 2021</b>
	£	£	£
<b>Grants</b>			
Arts Council England, London Revenue grant	580,711	-	580,711
London Borough of Merton Revenue grant	30,000	-	30,000
Coronavirus Job Retention Scheme grant	53,562	-	53,562
<b>Subsidy Income</b>	<u>664,273</u>	<u>-</u>	<u>664,273</u>

**Sponsorship and Donations****CAPITAL**

Arts Council England	-	712,765	712,765
Greater London Authority	-	159,632	159,632
London Borough of Merton Neighbourhood Fund	-	150,000	150,000
Chan Yin Cheun Memorial Charitable Foundation	-	300,000	300,000
Christina Smith Foundation	-	50,000	50,000
The Charles Skey Charitable Trust	-	50,000	50,000
The True Colours Trust	-	40,000	40,000
Linbury Trust	-	30,000	30,000
Foyle Foundation	-	25,000	25,000
The Hugo Halkes Charitable Trust	-	20,000	20,000
The Clothworkers' Foundation	-	20,000	20,000
The Bernard Sunley Charitable Foundation	-	20,000	20,000
The Kirby Laing Foundation	-	10,000	10,000
The BP Foundation	-	3,000	3,000
Alf and Hilda Leivers Charity Trust	-	2,500	2,500
Wimbledon District Nursing & Midwifery			
Benevolent Society	-	2,180	2,180
Other Capital Project #	-	86,007	86,007
<b>Sub-total</b>	<u>-</u>	<u>1,681,084</u>	<u>1,681,084</u>

**5. GRANTS AND DONATIONS (CONTINUED)**



**POLKA CHILDREN'S THEATRE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total 2021</b>
	£	£	£
<b>REVENUE</b>			
The Wolfson Foundation	120,000	-	120,000
The Clore Duffield Foundation	-	20,000	20,000
The Charles Skey Charitable Trust	-	10,000	10,000
Clarion Housing Association	-	10,000	10,000
Icon Solutions	-	8,000	8,000
The Ashley Family Foundation	-	5,000	5,000
The D'Oyly Carte Charitable Trust	-	5,000	5,000
MFS Financial Services	-	5,000	5,000
HPD Lendscape	-	5,000	5,000
The Sobell Foundation	-	5,000	5,000
Wimbledon Offices	-	5,000	5,000
The John Horseman Trust	-	5,000	5,000
The Weinstock Fund	-	5,000	5,000
The Harold Hyam Wingate Foundation	-	5,000	5,000
L & Q Foundation Place Makers Fund	-	4,683	4,683
The Childhood Trust	4,000	-	4,000
The Calleva Foundation	3,000	-	3,000
The Eleanor Rathbone Charitable Trust	-	3,000	3,000
Co-Op Community Fund	-	4,212	4,212
The Vernon N Ely Charitable Trust	4,000	-	4,000
Starkie Bence Charitable Trust	2,000	-	2,000
Other donations	232,802	13,148	245,950
<b>Sub-total</b>	<b>365,802</b>	<b>118,043</b>	<b>483,845</b>
<b>Total Sponsorship and donations</b>	<b>365,802</b>	<b>1,799,127</b>	<b>2,164,929</b>
<b>Total</b>	<b>1,030,075</b>	<b>1,799,127</b>	<b>2,829,202</b>

**POLKA CHILDREN'S THEATRE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****5. GRANTS AND DONATIONS (CONTINUED)**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Grants</b>			
Arts Council England, London Revenue grant	570,219	-	570,219
London Borough of Merton Revenue Grant	60,000	-	60,000
<b>Subsidy Income</b>	<b>630,219</b>	<b>-</b>	<b>630,219</b>
<b>Sponsorship and Donations</b>			
<b>CAPITAL</b>			
Arts Council England	-	1,145,974	1,145,974
Greater London Authority	-	1,050,368	1,050,368
London Borough of Merton Grant	-	150,000	150,000
Garfield Weston Foundation	-	225,000	225,000
Clore Duffield Foundation	-	200,000	200,000
Stavros Niarchos Foundation	-	150,000	150,000
The Taylor Family Foundation	-	150,000	150,000
City Bridge Trust	-	100,000	100,000
Merton Borough Council CIL Neighbourhood Fund	-	95,000	95,000
Doris Pacey Foundation	-	50,000	50,000
The Wolfson Foundation	-	50,000	50,000
Icon Solutions	-	50,000	50,000
The Bidder McKinley Foundation	-	25,000	25,000
The Vernon N Ely Charitable Trust	-	25,000	25,000
The Generations Foundation	-	10,000	10,000
Backstage Trust	-	10,000	10,000
DM Thomas Foundation for Young	-	8,634	8,634
The Dorus Trust	-	5,000	5,000
The Sobell Foundation	-	5,000	5,000
Wimbledon District Nursing and Midwifery	-		
Benevolent Fund	-	5,000	5,000
Alf and Hilda Leivers Charity Trust	-	4,500	4,500
Other Capital Project #	-	269,450	269,450
<b>Sub-total</b>	<b>-</b>	<b>3,783,926</b>	<b>3,783,926</b>

**POLKA CHILDREN'S THEATRE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****5. GRANTS AND DONATIONS (CONTINUED)****REVENUE**

The National Lottery Heritage Fund	-	24,400	24,400
The Charles Skey Charitable Trust	-	10,000	10,000
Three Monkeys Trust	-	5,680	5,680
Icon Solutions	-	7,848	7,848
The Childhood Trust	-	5,178	5,178
Pauline Twogood Wimbledon Offices	-	5,000	5,000
The Britford Bridge Trust	-	5,000	5,000
Theatre Development Trust	-	5,000	5,000
Clarion Housing Group	-	5,000	5,000
The Austin and Hope Pilkington Trust	-	5,000	5,000
The John Horseman Trust	-	5,000	5,000
The Rix-Thompson-Rothenberg Foundation/ The Bailey Thomas Charitable Fund	-	5,000	5,000
The Loppylugs and Barbara Morrison CT	-	5,000	5,000
London Freemasons' Charity	-	5,000	5,000
L & Q Foundation Place Makers Fund	-	4,682	4,682
The Vernon N Ely Charitable Trust	-	4,000	4,000
The Noel Coward Foundation	-	3,600	3,600
Russell-Cooke LLP	-	3,600	3,600
John Horniman's Children's Trust	-	3,000	3,000
Wimbledon District Nursing and Midwifery	-		
Benevolent Society	-	3,000	3,000
Calleva Foundation	-	3,000	3,000
Other donations	35,708	8,714	44,422
Other Events	13,233	-	13,233
<b>Sub-total</b>	<b>48,941</b>	<b>131,702</b>	<b>180,643</b>
<b>Total Sponsorship and donations</b>	<b>48,941</b>	<b>3,915,628</b>	<b>3,964,569</b>
<b>Total</b>	<b>679,160</b>	<b>3,915,628</b>	<b>4,594,788</b>

# Other Capital Project donations include amounts received from donors who wish to remain anonymous.

Many regular donors have switched their contributions to the Capital Project.

**6. NET INCOME/EXPENDITURE**

	<b>2021</b>	<b>2020</b>
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	50,011	49,949
Auditors' remuneration	8,475	8,140

**POLKA CHILDREN'S THEATRE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****7. STAFF COSTS**

	<b>2021</b>	<b>2020</b>
	£	£
Wages and Salaries	421,287	365,475
Pension contributions	11,429	9,501
Social security costs	39,232	31,919
Restructuring costs	9,300	-
	<u>481,248</u>	<u>406,895</u>

No employee earned more than £60,000 per annum (2020 - none).

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.

The cost of employment of Key Management Personnel amounted to £111,633 (2020: £112,513). Key Management Personnel comprise the Joint Chief Executives.

	<b>2021</b>	<b>2020</b>
	No.	No.
<b>Average number of employees during the year</b>		
Senior Management Personnel	2	2
Directors and performers	-	4
Sales, administration and others	11	12
	<u>13</u>	<u>18</u>

**8. INTEREST PAYABLE**

	<b>2021</b>	<b>2020</b>
	£	£
Mortgage loan interest	<u>4,610</u>	<u>6,669</u>

**POLKA CHILDREN'S THEATRE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****9. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Short leasehold land and buildings £	Leasehold Improve- ments	Building Redeve- lopment Project	Plant and Machinery £	Total £
<b>Cost</b>						
At 1 April 2020	1,050,000	950,000	6,999	2,702,785	183,089	4,892,873
Additions	-	-	12,114	3,712,837	-	3,724,951
At 31 March 2021	1,050,000	950,000	19,113	6,415,622	183,089	8,617,824
<b>Depreciation</b>						
At 1 April 2020	75,000	114,000	996	-	154,465	344,461
Charge for the year	12,500	19,000	202	-	18,309	50,011
At 31 March 2021	87,500	133,000	1,198	-	172,774	394,472
<b>Net book value</b>						
At 31 March 2021	962,500	817,000	17,915	6,415,622	10,315	8,223,352
At 31 March 2020	975,000	836,000	6,003	2,702,785	28,624	4,548,412

**10. STOCKS**

	2021 £	2020 £
Books	-	594

**11. DEBTORS**

	2021 £	2020 £
Trade receivable	1,810	9,723
Prepayments and accrued income	115,465	208,200
Other Debtors	41,877	26,018
	<u>159,152</u>	<u>243,941</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Overdraft	-	43,411
Mortgage loan (secured)	33,500	35,021
Other taxes and social security costs	2,048	8,553
Other creditors	225,205	143,992
CBILS loan	29,167	-
	<u>289,920</u>	<u>230,977</u>

As part of Polka's mitigation of risk during Covid-19, a £250,000 CBILS loan was taken out with Barclays. The period of the loan is 6 years (72 months) from 21st September 2020. The terms of the loan include 2.99% floating rate interest and a capital repayment holiday for the first 12 months.

**POLKA CHILDREN'S THEATRE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	<b>2021</b>	<b>2020</b>
	£	£
Mortgage loan (secured)	137,181	164,861
CBILS loan	220,833	-
	<u>358,014</u>	<u>164,861</u>
Repayable between one and five years	337,179	140,086
Repayable in five years or more	20,835	24,775
	<u>358,014</u>	<u>164,861</u>

**14. GENERAL FUND**

	<b>At 1 April 2020</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>At 31 March 2021</b>
	£	£	£	£	£
Unrestricted funds	377,963	1,070,704	(519,950)	(476,259)	452,458

	<b>At 1 April 2019</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>At 31 March 2020</b>
	£	£	£	£	£
Unrestricted funds	272,663	757,495	(532,195)	(120,000)	377,963

**15. REVALUATION RESERVE**

The freehold and leasehold buildings were revalued at £1,575,000 in the 2014 year, with the uplift in value being credited to the revaluation reserve. This was undertaken as allowed under the transition to FRS102 with the revalued amount being treated as deemed cost from this point. The additional depreciation charge that results from this uplift in valuation is set against this fund each year.

	<b>At 1 April 2020</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>At 31 March 2021</b>
	£	£	£	£	£
Revaluation reserve	1,099,691	-	(18,389)	-	1,081,302

	<b>At 1 April 2019</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>At 31 March 2020</b>
	£	£	£	£	£
Revaluation reserve	1,118,080	-	(18,389)	-	1,099,691

**POLKA CHILDREN'S THEATRE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****16. DESIGNATED RESERVES**

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
Equipment	30,805	-	(3,423)	-	27,382
Capital project	50,000	-	-	184,992	234,992
ACE fund	120,000	-	-	-	120,000
Re-opening fund	-	-	-	291,267	291,267
	<u>200,805</u>	<u>-</u>	<u>(3,423)</u>	<u>476,259</u>	<u>673,641</u>

The ACE Fund represents donated amounts carried forward with the agreement of ACE to fund expenditure in 2021/22. The re-opening fund consists of unrestricted funding identified by the Trustees to be utilised for the re-opening period in 2021/22.

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
Equipment	34,228	-	(3,423)	-	30,805
Capital project	50,000	-	-	-	50,000
ACE Fund	-	-	-	120,000	120,000
	<u>84,228</u>	<u>-</u>	<u>(3,423)</u>	<u>120,000</u>	<u>200,805</u>

**17. RESTRICTED FUNDS**

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
<b>CAPITAL PROJECT FUND</b>					
Theatre Redevelopment Fund	5,698,839	1,681,084	(315,892)	-	7,064,031
	<u>5,698,839</u>	<u>1,681,084</u>	<u>(315,892)</u>	<u>-</u>	<u>7,064,031</u>
This comprises:					
Capitalised costs	2,702,785	-	-	3,712,837	6,415,622
Unspent funds	2,996,054	1,681,084	(315,892)	(3,712,837)	648,409
	<u>5,698,839</u>	<u>1,681,084</u>	<u>(315,892)</u>	<u>-</u>	<u>7,064,031</u>

**POLKA CHILDREN'S THEATRE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****17. RESTRICTED FUNDS (CONTINUED)**

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
<b>OTHER RESTRICTED FUNDS</b>					
Original Theatre Fund	260,711	-	(8,975)	-	251,736
Vehicle Fund	1,850	-	(1,850)	-	-
Write Here, Write Now	-	31,783	(2,500)	-	29,283
Freefalling	-	52,382	(31,882)	-	20,500
Polka40 Resound	-	20,378	(17,878)	-	2,500
PolkaLab	-	2,500	(2,500)	-	-
Access	-	1,000	(1,000)	-	-
RED	-	5,000	-	-	5,000
Curtain Up	-	5,000	-	-	5,000
	<u>262,561</u>	<u>118,043</u>	<u>(66,585)</u>	<u>-</u>	<u>314,019</u>
<b>TOTAL</b>	<u>5,961,400</u>	<u>1,799,127</u>	<u>(382,477)</u>	<u>-</u>	<u>7,378,050</u>

Theatre Redevelopment Fund For use during the Future Polka redevelopment project, begun in 2019 and due to complete in 2021.

Original Theatre Fund Relating to the original building project to create the theatre in 1979.

Vehicle Fund For use against the depreciating cost of the Polka van.

**Restricted project funds:**

Write Here Write Now Restricted funds that are for specific projects delivered by the Creative Learning and Producing departments, to which restricted funds received in advance of the activities taking place are assigned. These funds change annually according to the theatre's project programming, and may be one-off short-term or ongoing annual projects.

Freefalling

Polka40 Resound

PolkaLAB

Access

RED

Curtain Up!



**POLKA CHILDREN'S THEATRE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****17. RESTRICTED FUNDS (CONTINUED)**

	<b>At 1 April 2019</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>At 31 March 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>CAPITAL PROJECT FUND</b>					
Theatre Redevelopment Fund	2,190,043	3,783,926	(275,130)	-	5,698,839
	2,190,043	3,783,926	(275,130)	-	5,698,839
 This comprises:					
Capitalised costs	860,273	-	-	1,842,512	2,702,785
Unspent funds	1,329,770	3,783,926	(275,130)	(1,842,512)	2,996,054
	2,190,043	3,783,926	(275,130)	-	5,698,839
	<b>At 1 April 2019</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>At 31 March 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>OTHER RESTRICTED FUNDS</b>					
Original Theatre Fund	269,686	-	(8,975)	-	260,711
Vehicle Fund	3,700	-	(1,850)	-	1,850
Polka40	20,000	54,999	(74,999)	-	-
Write Here, Write Now	-	44,097	(44,097)	-	-
Freefalling	-	15,178	(15,178)	-	-
Polka 40 Resound	-	5,680	(5,680)	-	-
PolkaLab	-	4,374	(4,374)	-	-
Access	-	4,374	(4,374)	-	-
Creative Learning Outreach	-	3,000	(3,000)	-	-
	293,386	131,702	(162,527)	-	262,561
 TOTAL	2,483,429	3,915,628	(437,657)	-	5,961,400

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

<b>2021</b>	<b>Fixed Assets</b>	<b>Net Current Assets</b>	<b>Creditors &gt; 1 year</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted Funds</b>				
General Fund	385,027	425,445	(358,014)	452,458
Revaluation Reserve	1,081,302	-	-	1,081,302
Designated Funds	27,382	646,259	-	673,641
<b>Restricted Funds</b>				
Capital Project Fund	6,415,622	648,409	-	7,064,031
Other Restricted Funds	314,019	-	-	314,019
	8,223,352	1,720,113	(358,014)	9,585,451

**POLKA CHILDREN'S THEATRE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)**

<b>2020</b>	<b>Fixed Assets £</b>	<b>Net Current Assets £</b>	<b>Creditors &gt; 1 year £</b>	<b>Total £</b>
<b>Unrestricted Funds</b>				
General Fund	444,070	90,254	(164,861)	369,463
Revaluation Reserve	1,099,691	-	-	1,099,691
Designated Funds	30,805	170,000	-	200,805
<b>Restricted Funds</b>				
Capital Project Fund	2,702,785	2,996,054	-	5,698,839
Other Restricted Funds	262,561	-	-	262,561
	<u>4,539,912</u>	<u>3,256,308</u>	<u>(164,861)</u>	<u>7,631,359</u>

**19. FINANCIAL COMMITMENTS**

At the year end, the charity had future minimum lease payments under operating leases as follows:

	<b>2021 £</b>	<b>2020 £</b>
<b>Land &amp; Buildings</b>		
Due in less than 1 year	44,000	44,000
Due in between 2 and 5 years	<u>4,219</u>	<u>48,219</u>
	<u>48,219</u>	<u>92,219</u>

**20. 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.

**21. TAXATION**

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

**22. RELATED PARTIES**

There were no related party transactions within the year.

Trustees made donations in the year totalling £125,515 (2020 - £6,870). Trustees pay the normal admission charge when they attend performances and other events.

Following her resignation as a Trustee on 4 December 2020, Katy Manuel was employed by the charity as a Marketing Consultant. The appointment was approved by the Board of Trustees and the Charity Commission.

**POLKA CHILDREN'S THEATRE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2021****23. COMPARATIVE FIGURES FOR THE STATEMENT OF FINANCIAL ACTIVITIES AS REQUIRED BY FRS 102**

	Notes	Unrestricted Funds <i>General</i>	Unrestricted Funds <i>Designated and Revaluation</i>	Restricted Funds <i>Revenue grants</i>	Restricted Funds <i>Capital project</i>	Total 2020
		£	£	£	£	£
<b>INCOME FROM</b>						
Grants and donations	5	679,160	-	131,702	3,783,926	4,594,788
Charitable activities	2	71,238	-	-	-	71,238
Investment income	4	7,097	-	-	-	7,097
<b>Total Incoming Resources</b>		<b>757,495</b>	<b>-</b>	<b>131,702</b>	<b>3,783,926</b>	<b>4,673,123</b>
<b>EXPENDITURE ON</b>						
Raising funds	3	65,736	-	-	108,518	174,254
Charitable activities						
Operation of theatre and related activities	3	466,459	21,812	162,527	-	650,798
Building redevelopment project	3	-	-	-	166,612	166,612
<b>Total Resources Expended</b>		<b>532,195</b>	<b>21,812</b>	<b>162,527</b>	<b>275,130</b>	<b>991,664</b>
<b>Net Income/(Expenditure) before Transfers</b>		<b>225,300</b>	<b>(21,812)</b>	<b>(30,825)</b>	<b>3,508,796</b>	<b>3,681,459</b>
Transfer to/(from) Designated Funds	16	(120,000)	120,000	-	-	-
<b>Net movement in funds</b>		<b>105,300</b>	<b>98,188</b>	<b>(30,825)</b>	<b>3,508,796</b>	<b>3,681,459</b>
<b>Balance at 1<sup>st</sup> April 2019</b>		<b>272,663</b>	<b>1,202,308</b>	<b>293,386</b>	<b>2,190,043</b>	<b>3,958,400</b>
<b>Balance at 31<sup>st</sup> March 2020</b>		<b>377,963</b>	<b>1,300,496</b>	<b>262,561</b>	<b>5,698,839</b>	<b>7,639,859</b>