

Company number: 7091161

Charity number: 1137223

The Park Theatre

Report and financial statements

For the year ended 31 March 2020

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For the year ended 31 March 2020

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The Park Theatre

Trustees' annual report

For the year ended 31 March 2020

Company number 7091161 – incorporated in the United Kingdom

Charity number 1137223 – registered in England and Wales

Registered office and operational address Park Theatre
11 Clifton Terrace
Finsbury Park
London
N4 3JP

The Park Theatre Ltd is also known as Park Theatre

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Nigel Pantling [Chair]
Andrew Cleland-Bogle
Nick Frankfort
Robert Hingley
Mars Lord
Sir Frank McLoughlin
Bharat Mehta
Rufus Olins
Jo Parker
Victoria Phillips

Key management personnel Jez Bond, Artistic Director & Joint CEO
Rachael Williams, Executive Director & Joint CEO

President Jeremy Bond

Bankers CAF Bank
Charities Aid Foundation
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane LONDON EC1Y 0TL
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The Trustees present their report and the audited financial statements for the year ended 31 March 2020.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Trustees ensure the charity's activities remained focused on its stated objectives.

Chair's Report

The sixth full year of programming at Park Theatre has been a year of extraordinarily contrasting fortunes. Our artistic programming, and particularly our in-house productions, have continued to build on the success of earlier years, with strong critical support and excellent audience response. Two major fundraising initiatives raised some £400,000. Our community engagement strengthened further. Our able staff team remained remarkably settled, and the effective shared leadership of Jez Bond as Artistic Director and Rachael Williams as Executive Director was recognised by their Board through their appointments as joint chief executives. At the end of any other year of this kind, the Board of Trustees could have felt entitled to express quiet confidence in the Theatre's future. But on 16th March 2020 the theatre closed its doors indefinitely because of the covid-19 pandemic and, without the astonishingly generous response from our supporters to an emergency appeal to cover continuing costs, Park Theatre would by now have closed permanently. Its future remains uncertain.

Our operating model continues to mix a majority of shows brought in by outside producers who pay us rent, with a gradually increasing proportion of our own productions, where we carry some or all of the production risk. Among a strong slate of visiting productions, we were particularly pleased that *The Last Temptation of Boris Johnson* sold out in May 2019, and that *RAGS The Musical* was exceptionally well-received by audiences. This has shown us that we can meet the challenges which a mid scale musical presents for a small theatre. In Park90, among a broad array of work by emerging writers and directors, we included *Summer Rolls* by Tuyen Do, the first British Vietnamese play to be staged in the UK, and *Warheads*, by Taz Skylar and Ross Berkeley, which we co-produced and was nominated for an Olivier Award.

Investment or donations by generous supporters to our Production Fund enabled us to produce three in-house shows in Park200 this year. Two of these, *The Weatherman* and *Sydney & The Old Girl*, were world premieres by emerging writer Eugene O'Hare. The third was a new adaptation by Simon Callow, commissioned by Park Theatre, of Jean Poiret's *La Cage aux Folles*, co-produced with Adam Blanshay Productions. *Sydney & The Old Girl* and *La Cage aux Folles* sold particularly strongly. The Board feel that the model we have developed for financing our own productions at acceptable risk, including the ring-fenced Production Fund and co-production with third parties able to bring additional finance or skills, is serving us well. Other things being equal, the Board would expect Park Theatre to continue to increase the proportion of in-house productions in Park 200 as we move forward.

We have again been fortunate to have had continuity at the most senior levels of our staff team during 2019/20. Jez Bond as CEO and Artistic Director and Rachael Williams as Deputy CEO and Executive Director have again provided strong and creative leadership, well assisted by Dorcas Morgan as Development Director, Melli Marie as Associate Artistic Director and Dawn James as Sales & Marketing Director. Shortly before the year end, and at the Chief Executive's own suggestion, the Board appointed him and Rachael Williams as Joint Chief Executives, reflecting the harmony of their working relationship and their complementary skills. The senior executives have once again been supported by an able and motivated staff team, which has seen relatively little turnover during the year. The Board has also been stable, and I am very grateful to my colleagues for their unstinting support. We were all extremely saddened to hear, after the year end, of the death of our President, Jeremy Bond, whose generosity, enthusiasm and foresight were instrumental in making Park Theatre a reality. We shall miss him greatly.

This financial year was the second in our two-year planning cycle, in which we set out to raise sufficient funds to strengthen the resilience of the theatre for succeeding financial years. The executive team rose to this challenge impressively. The production in July 2019 of *Whodunnit [Unrehearsed]*, co-written and directed by Jez Bond with a different (and unrehearsed) celebrity star at each performance, raised some £250,000 net of costs. In November 2019, a very professionally staged gala dinner at Stoke Newington Town Hall raised £150,000 net, so that the team comfortably met their overall fundraising objective. Despite the closure of the theatre shortly before the year end, the charity achieved a financial surplus of £170,202 (before depreciation of those assets owned by the theatre but which it does not expect to replace).

Successful as this year's two fundraising initiatives were, the Board recognised that their high demands on our limited staff resources and the risk of donor fatigue make continued reliance on fundraising at this level an uncomfortably high risk. During the year, the staff team and Board started work to devise a more sustainable financial model for Park Theatre by reducing the gap between the costs of running the theatre and the operating revenues we generate. Work on that will resume when the theatre reopens.

With the March 16th closure of the theatre, all operating income ceased. The reserves of the theatre, even with the benefit of the funds raised during the year, were little more than would be required to meet the continuing costs associated with the building for a very few months and the redundancy costs of our staff, and the Board was obliged to consider whether to close the charity. Two initiatives have helped us to avoid that possibility to date. The first was the Government's furlough scheme, which has enabled us to retain all our staff team and to pay them 80% of their salary. The second was the outstandingly generous response from our supporters to Jez Bond's emergency appeal in April, which over the course of a few days secured in excess of £350,000 in donations. Like many theatres, our ability to reopen and the timing of it still remain highly dependent upon the duration of the pandemic, but we were hugely heartened by this show of support for the theatre's work. We are also very grateful to be awarded a £250,000 grant from Arts Council England's Cultural Recovery Fund, which sends a positive message to all our stakeholders.

As in previous years, the success of Park Theatre has depended critically upon the hard work, creativity and dedication of the charity's staff. We are extremely fortunate to have individuals of such calibre and commitment, and we are very pleased that so far we have been able to retain them in our employment. We are grateful too for the continued support in 2019 of our excellent volunteer team, without whom we would not have been able to put on a single performance during the year. We look forward to the possibility of reopening in 2021 with concern for our financial circumstances, but with no doubt about the quality and enthusiasm of those who work in and for the theatre.

Nigel Pantling
Chair of Trustees

Objectives and activities

Park Theatre's charitable objectives are to promote, maintain, improve and advance education of the public in the arts.

Our principal objective is to present high-quality, affordable drama for everyone – and, through the work on stage, our creative learning programmes and the provision of a welcoming neighbourhood hub, to provide artistic opportunities, enhance lives and increase community cohesion.

We aspire to present world-class theatre productions, collaborating with top-quality talent, programming a wide variety of plays, from classics through to new writing, distinguished by strong narrative and powerful emotional content. We aim to produce both in-house and in partnership with the best of existing and emerging producers, for whom we endeavour to provide an outstanding level of support.

By creating a welcome and nurturing environment, we want Park Theatre to be accessible to everyone within our diverse community and beyond and, through affordable ticket pricing and outreach programmes, we aim to engage with those who have little or no experience of theatre. We aim to be a beacon for all and an ambassador for theatre worldwide.

Park Theatre has four key activities which generate income and/or deliver benefit to our beneficiaries:

- External productions: these deliver rental income. Park Theatre receives a fee from the producer who rents our auditorium for a theatre production along with certain support services, usually for four weeks (Park90) or five weeks (Park200). The producer takes the box office ticketing income.
- In-house productions: Park Theatre provides some or all of the funding needed to deliver a production and receives some or all of the box office ticket income that is generated. We produced three plays in-house in 2019/20, one of which was a co-production.
- Creative learning and artist development: these are classes, workshops, summer schools and other initiatives provided by Park Theatre, which are charged for, sometimes at a subsidised rate, or free. During the year 19/20, artist development included our writing programme, Script Accelerator.
- Provision of space: Park Theatre rents out its facilities for rehearsals, workshops, meetings and events, sometimes at preferential rates for artists and local community groups.

These activities cannot be supported entirely by the income they produce, so we subsidise them by a programme of development activities.

We measure the impact and success of these activities as follows:

External productions:

- Financially, by measuring how far we achieve rental income for the theatre across the year, and how far box office income is likely to have enabled the producer at least to recoup costs
- Artistically, by monitoring ticket sales through box office data, critics' reviews and other press comment, social media activity and the future life of the production outside the building (for example, on tour or with a transfer to the West End)

In-house productions:

- Financially, by measuring ticket income through box office data and assessing the extent to which each production generates a surplus or loss, taking account of rent foregone
- Artistically, by monitoring ticket sales through box office data, critics' reviews and other press comment, social media activity and the future life of the production outside the building (for example on tour or with a transfer to the West End).

Creative learning and artist development:

- Financially, by measuring income received and the extent to which it meets the cost of the activities undertaken
- Artistically, by measuring the number of participants and through feedback forms.

Provision of space:

- By measuring income received, the extent of subsidy offered and which companies this subsidy is offered to related to the aims stated in our business plan, particularly regarding our ambition to present a diverse range of productions.

Achievements and performance

i. Productions

There were ten productions in 2019/20 in Park200 and twelve productions in Park90. We also hosted a mini-festival in the first week of September in Park90 called Pick of the Fringe, made up of five shows that had performed at the Edinburgh Fringe Festival in August 2019. The range and variety of shows were wide and we continued to earn positive responses from critics, as well as from our audiences.

We were very pleased to be able to present three in-house productions over the year: *The Weatherman* in August 2019, *Sydney & the Old Girl* in November 2019, and *La Cage aux Folles* in February 2020 in co-production with Adam Blanshay Productions. The first two productions were world premieres by emerging writer Eugene O'Hare, and the last was a new adaptation by Simon Callow of Jean Poiret's classic French play. Both *Sydney...* and *La Cage...* attracted very strong sales. These productions were made possible by generous donations and investment from individuals, for which we are very grateful. All in-house productions were run through our subsidiary company, Park Theatre Productions.

From our slate of visiting productions in Park200, particular artistic highlights include *The Last Temptation of Boris Johnson* by Jonathan Maitland in May 2019, which sold out and proved incredibly timely, and *RAGS The Musical*, which received a fantastic response from audiences and critics alike, and made use of an innovative formation in Park200, which resulted in very good sound quality and can be used as a model for future musicals that we present.

In Park90, our smaller, flexible space, we continued to present a broad range of work designed to showcase the very best emerging talent. In June 2019, we hosted *Summer Rolls* by Tuyen Do, the first British Vietnamese play to be staged in the UK and, in August 2019, we co-produced *Warheads* by Taz Skylar and Ross Berkeley which was subsequently nominated for an Olivier Award. In February 2020, we hosted *Time and Tide*, a project we had supported through our Script Accelerator programme in 2018.

ii. Creative learning and artist development

We maintained broadly the same programme of drama-based creative learning activities in 2019/20 as for the last two years, with classes, workshops and summer schools, spread across age and ability. We also want to encourage the development of the next generation of young people working in theatre, whether as actors, writers, producers or technicians. We ran our seventh Script Accelerator programme for new writers and producers and gave free or subsidised space to a number of writers, directors and producers for readings. A number of these readings took place in front of invited audiences, so that writers could hear their work and gain feedback. We continued to run our schools' tours, allowing young people their first experience of a professional theatre.

We worked with Turtle Key Arts for the first time, hosting their Key Words programme, which supported young people from local schools with dyslexia. Park Theatre staff members were able to be involved in the programme as scribes for the young people, and the final showcase, performed by professional actors, took place on our Park200 stage.

Thanks to renewed funding from a number of generous donors, we were able to extend the role of Community Engagement Manager for a further year. We will continue to grow and develop our creative learning and community engagement work, and aim to increase funding for the post to enable it to be full time.

This year we also continued to run the Prism Project, an initiative founded by our Administrator Melissa Bonnelame, which offers BAME artists free space for rehearsed readings during the daytime.

iii. Other links with the local community

The theatre building is intended to provide a hub for the local community and we are proud that, until we had to close the theatre in March 2020, we kept our doors open from 9am until late in the evening.

This was our fourth full year of running the Cafe Bar entirely in-house and unfortunately we were somewhat off achieving the high standards of customer service to which we aspired. Following a very challenging financial year for the Cafe Bar in 2018/19, we were pleased, however, that we achieved a considerably better financial result this year, though this still fell short of our ambitions.

We have offered meeting rooms and other facilities to local community organisations at subsidised rates, hosted events with the local authority and other local organisations, and supported other charities and local schools, including providing tickets for raffles and fetes. Local councillors continue to support us and we are fortunate to have continuing encouragement from local MPs Jeremy Corbyn and David Lammy.

iv. Fundraising

2019/20 was an extraordinary fundraising year for us as we hosted two large-scale fundraising events that together brought in around £350k net of costs. The first of these was *WhoDunnit [Unrehearsed]*, a play written by Artistic Director Jez Bond and Associate Artist Mark Cameron and produced for two weeks in July 2019. The play was a spoof murder mystery featuring a different celebrity in the role of the Inspector every night, who went on with no rehearsal and an earpiece where lines were fed to them to deliver. We are hugely grateful to the numerous celebrities who took part, including Gillian Anderson, Damian Lewis, Clarke Peters and Meera Syal. The run sold out and each celebrity auctioned either an item or an experience after the performance, including a trip to watch *The Last Leg* being filmed

from Adam Hills and drinks in the dressing room after the show with Jim Broadbent. This production raised £230k after costs, and may prove a template for future fundraising events.

In addition, we hosted a Gala at Stoke Newington Town Hall in November; the evening was hosted by Simon Callow, and featured music from Beverley Knight and a reading from David Haig. We were grateful to Lord Jeffrey Archer for donating his time as our auctioneer, and the evening raised in total £120k after costs, as well as generating a large number of new contacts whom we hope to stay in touch with and invite to future Park Theatre performances and fundraising events. Alongside this, we were pleased to have continued support from the Mercers' Company for our Reminiscence programme, from City Bridge Trust towards our access work and regular donations of a variety of sizes through our Park Keepers scheme and Production Fund.

We recognise the need for a professional and sensitive approach to fundraising. We are committed to best practice and are members of the Institute of Fundraising. We are pleased to report that, at a time of particular public sensitivity around methods of fund-raising, we have received no complaints in this respect and we are confident that we have fully complied with fundraising codes.

Beneficiaries of our services

The Trustees have referred to the Charity Commission's guidance on public benefit when reviewing the Charity's aims and objectives and in planning its future activities. In particular, the Trustees regularly consider how planned activities will contribute to the Charity's aims and objectives.

The staging of West End-quality theatre at affordable prices is central to our mission to develop a diverse audience and to create new theatre goers. Key to this is ticket prices: we keep ours below cost. This year our top price ticket for all regular performances was £32.50; our Pay What You Can Scheme, concessionary rates and Young Patrons scheme are all designed to help those on lower incomes attend performances.

Park Theatre's Creative Learning initiatives use drama to enrich lives and address confidence building, bullying, social exclusion, peer pressure and identity. Our reach extends from the youngest to the oldest members of the community: from parents and babies, to older people with dementia.

Our welcoming, all-day, family-friendly Cafe Bar provides accessible working or meeting space, with reasonably priced food and drink, toilets and baby change facilities and free Wifi. We also make available meeting rooms at subsidised rates to local businesses and not-for-profit organisations.

We believe that Park Theatre and its open door policy is playing an important role in the regeneration of the Finsbury Park area.

Financial review

Total income for 2019/20 was £2,153,922, compared with £1,777,502 the previous year. Expenditure in 2019/20 was £2,051,886, compared with £1,896,475 the previous year. Overall, the Theatre made a surplus for the year of £102,035, compared to a loss on an equivalent basis of £118,973 in 2018/19. The surplus on unrestricted and undesignated funds was £178,075, compared with a surplus of £16,926 in 2018/19.

This year's surplus on unrestricted and undesignated funds was calculated after a depreciation charge of £32,382, which covers the depreciation of the theatre's Fixtures and Fittings and Office Equipment, which the theatre will need to replace in due course.

For technical accounting reasons, we are required to include a further depreciation charge of £68,165 which relates to the theatre property and other assets which, under the terms of our lease, it is the freeholder's responsibility to replace; this appears in Designated Funds on the Statement of Financial Activities, and is the only item to be included in this column. The Board considers it unlikely that, in practice, the theatre would need to make a material financial contribution to the replacement of these assets.

Income from core charitable activities, including rental of the theatre and education classes, was £983,630, compared to £506,335 the previous year; this is due mostly to increased in-house producing, and increased box office receipts attributable to the theatre).

Total fundraised income this year was £283,833; this was down from £288,587 the previous year, when we hosted our fundraising run of performances by Sir Ian McKellen.

Total income was therefore £2,153,923 compared with £1,777,502 the previous year.

The Cafe Bar completed its third full financial year trading in-house. It generated a loss of £6,972, after paying recharges to the theatre for services provided. This was down from a loss of £49,411 in 2018/19. Whilst this is a disappointing result for the Cafe Bar, we recognise the positive work put in by our Head of Food & Beverage, Oliver Mortimer. Discussions with our Catering Board have commenced regarding possible structural changes to the future operation of the Café Bar.

Reserves

The Board acknowledges the need to build a healthy level of unrestricted cash reserves to protect the theatre against the unexpected. Trustees have set an initial goal of securing underlying free reserves (as described below) of approximately £200,000.

As at 31 March 2020, unrestricted free reserves (equivalent to net current and restricted assets i.e. total unrestricted funds less fixed assets and stock) were £443,229, an increase of £214,019 on the previous year-end position (£229,210). However, a year-end figure cannot reflect the normal working capital fluctuations that take place during the year; the Board must also take into account setting aside enough to cover potential losses for in-house productions already committed to and other normal fluctuations. The Board estimates that at the year end the underlying free reserves of the charity (i.e. the amount that the Board would expect to remain available after taking account of normal operating cash flows and factoring in potential losses for previously committed to in-house productions) to be in the order of £100,000 to £120,000.

Strengthening free reserves continues to be a high priority for the Board. We recognise that those years in which we stage large scale fundraising events, such as a gala dinner or last year's week with Sir Ian McKellen, will be years in which we should expect to see our reserves strengthen materially. However, the Board recognises that it may not be possible to stage large scale fund-raising events every year without donor fatigue or placing excessive demands on staff.

We are pleased that our financial position has been strengthened substantially since the year end by a £250,000 grant from the Arts Council England Cultural Recovery Fund, by the receipt of £310,000 from generous donors contributing to our large scale fundraising campaign and £65,000 from our Park Life online go-fund-me campaign.

Principal risks and uncertainties

The Board keeps the theatre's risk assessment under regular review. A detailed review of risk and measures for its mitigation is looked at in detail by the Finance Committee twice per year and brought to the full Board for discussion annually. The three principal areas of risk and the steps being taken to mitigate them are:

i. Financial resilience

The charity has limited reserves to enable it to cope with unexpected financial shocks.

The theatre is committed to building its reserves over time (see Reserves Policy below). We were successful in achieving this this year given the successful fundraising activity undertaken.

The Board recognises the particular risk from investment in in-house productions and scrutinises the plans for those productions with regard to the impact of the wider financial position of the theatre, requiring external co-investment or other support when appropriate. All productions this year were supported by either the Production Fund and/or investment. We are pleased that, overall this year, our in-house productions made a profit, supported by very strong sales from *Sydney & the Old Girl* in particular.

ii. Dependence on voluntary income

The charity depends significantly upon voluntary income to operate: this is inherently unpredictable and the environment for fundraising is currently difficult. We have strengthened the Development department in the last two years and discussions are ongoing to add further staffing resource to the department.

iii. Staff capacity

The theatre has a relatively small staff team who all work long hours with great commitment. We were pleased to have had relatively low turnover this year and we have continued to focus on our working culture, including working with an HR Consultant to provide training sessions and confidential one-on-one sessions for staff to seek advice and support on any HR matters.

Current Position and Plans for the future

Like all other theatres in the UK, Park Theatre was forced to close its doors in mid-March 2020, due to the outbreak of COVID-19 in the UK. This meant cutting short our runs of *La Cage aux Folles* in Park200 and *Corpse!* in Park90, as well as the cancellation of all other productions that were on sale as part of the Spring / Summer 2020 season.

Thanks to a large scale fundraising campaign led by Artistic Director Jez Bond, we were able to raise around £310k net in high level donations in April 2020, which will increase to around £360k once the relevant Gift Aid has been claimed. We also launched an online fundraising campaign which, to date, has raised around £65k, and we were successful in our

Arts Council England's applications for £35k from its Emergency Fund and later for £250k from the Cultural Recovery Fund. Alongside making use of the government's Coronavirus Job Retention Scheme, this has provided critical breathing space.

Plans for the future are necessarily uncertain at the date of writing. We are continuing to fundraise, to keep connected to our audiences and to maintain contact with producers, many of whom we hope will form part of our re-opening season with productions previously planned for 2020.

The Finance Committee and the Board have been meeting regularly to ensure oversight of the financial position during this unprecedented time.

Going concern

The charity's planning process, including financial projections, has taken into account the current economic climate and its potential impact on the various sources of income and planned expenditure, including, in particular, the charity's ability to generate donations, grants and other development income, on which the charity remains substantially dependent.

Because of the current COVID-19 pandemic, the theatre has been closed since 16th March, 2020 and it is unclear when it will be able to reopen. It therefore remains in a period of significant uncertainty.

As at 31st October, 2020, the latest month-end prior to the approval of these accounts, the Theatre had free cash reserves of £52,000 and, in addition, had set aside, in a ring-fenced account, an amount of £90,000 to cover the full estimated costs of winding-up the charity, were that ever to prove necessary.

The Board has considered a range of scenarios as to when and on basis the theatre might be able to re-open. In the meantime, and whilst every effort has been made to cut costs and preserve cash, the theatre continues to have a net cash outflow in each month. The pressure of this has been somewhat alleviated by the successful fundraising during pandemic, including the £360,000 from Jez Bond's emergency ring-around and a total of £285,000 from the Arts Council.

Taking these factors, in particular, into account, the Board considers that:

- the theatre has sufficient resources to cover existing committed expenditure for 12 months following the date of signing these accounts.
- assuming a possible reopening date of no later than July 2021, the theatre has sufficient resources to be able to commit to the expenditure necessary to put on a large scale fundraising event or production (such as another run of WhoDunnit [Unrehearsed]) very soon after re-opening
- in order to ensure that it has enough cash to maintain it thereafter, the theatre will, however, be significantly dependent on the success of this production, as well as on the continuing support of donors.

On the basis of and subject to these considerations:

- the Board has a reasonable expectation that the theatre will have adequate resources to continue in operational existence for at least the 12 month period from the date of approval of the financial statements; and

- there are no material uncertainties surrounding the ability of the theatre to remain a going concern and thus the accounts have been prepared on this basis.

Structure, governance and management

The Company was incorporated as a company limited by guarantee on 30 November 2009 with a registered number 7091161. The Company was registered with the Charity Commission with effect from 2 August 2010, with registered number 1137223.

The Company was incorporated under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association. Trustees receive no benefit from their role as trustees at the Theatre. They may be reimbursed for expenses (such as travel to board meetings) necessary for them to perform governance duties. Any expenses and extraordinary payments reclaimed from the charity are set out in the notes to the accounts.

There are two subsidiary companies in existence: Park Theatre Cafe Bar Ltd (company number 09492315) and Park Theatre Productions Ltd (company number 09358327). Park Theatre Cafe Bar Ltd was incorporated on 16 March 2015 in order to manage the cafe bar operations. Park Theatre Productions Ltd was incorporated on 17 December 2014 in order to facilitate more commercial productions and to manage the greater risk associated with producing.

Appointment of trustees

The Board has a strong mix of skills, reflecting the identified needs of the charity. Last year, we adopted a revised Memorandum and Articles of Association; these new Articles are more suited to our organisation and introduced fixed terms of office for Board members. Board members are now able to serve up to two terms of three years each, and an additional year in exceptional circumstances. Provision was made to avoid the immediate loss of Trustees with more than six years' service.

The Board met every two months throughout the year. The Finance Committee met on the same pattern and the Nominations Committee met as required. The Boards of the subsidiary companies, overseeing the Cafe Bar and Park Theatre Productions, also met regularly during the year. These meetings enabled the Trustees to oversee the strategy, management and financial management of the theatre. Nigel Pantling continued to be Chair of the Board of Trustees.

Trustee induction and training

New Trustees are identified through the Board's existing networks, by direct approaches to individuals thought to have the skills and experience required, or by advertising as appropriate. Potential new Trustees meet at least two Board members and one member of the senior management team before their appointment is considered by the full Board.

Newly-appointed Trustees are briefed by a senior staff member to introduce them to the charity, given a tour of the building by the Artistic Director, and are supplied with an induction pack about the charity and its governance.

Related parties and relationships with other organisations

Trustees are aware of the need to uphold transparency and equality in contractual and business relationships. The Board requires disclosure of relationships between the Trustees or members of staff with contracted actors, production companies or similar agencies. Business contracts that could attract interest from known parties are put out to tender so as not to give preferential treatment. Where a conflict of interest arises affecting a Board member, the individual concerned takes no part in the decision. Any related party transactions are disclosed in note 9.

Remuneration policy for key management personnel

When the theatre opened it was not possible to pay salaries in line with those paid elsewhere. Our longer-term remuneration policy is to pay salaries in line with comparable organisations and we are now close to achieving that for many roles. Salaries for all staff below Executive level are reviewed by the Executive and any changes authorised by the Finance Committee. Salaries for the Artistic and Executive Directors are reviewed and set by the Nominations Committee.

Policy for employment of disabled persons

Encouraging diversity and access are key concerns for Park Theatre. We have established an advisory committee including local residents with the aim of identifying ways to diversify our staff, volunteers, performers, backstage crew and audiences, with regard to disability, race and gender. With multi-year funding for our access programme secured from the City Bridge Trust, we offer a range of access performances throughout the year, have evac chairs for the theatre and offer a range of disability awareness training to staff. We also continued to work with Islington Council with regard to offering volunteer or employed position to local residents with learning difficulties.

In 2018, we introduced a Positive Action Policy as part of our recruitment procedures, meaning that any candidate that identified as BAME or disabled would be guaranteed an interview if they meet the essential requirements of the job specification.

Employee information

We are deeply grateful as a Board to the staff team, whose hard work, commitment and flair have made so much progress possible during 2019/20.

In March 2020, the Board approved a change in structure proposed by our sole CEO Jez Bond, that saw him and Executive Director Rachael Williams become Joint CEOs. Given the positive working relationship that had developed over the past three years and the way the roles have evolved, the Board felt that this was the most appropriate structure for the future and would best provide strong and cohesive leadership for the theatre. Should the Rachael Williams leave, the CEO function would revert in full to Jez Bond.

Park Theatre has maintained a permanent staff team averaging fifteen over the year, plus a number of workers on casual contracts who work on a shift basis as duty managers, box office supervisors, duty technicians or behind the bar. We decided to split the role of Sales & Marketing Manager into two positions, a Sales Manager and a Marketing Manager, and we welcomed Julia Yelland and Liam McLaughlin to these posts in July 2019.

We could not operate without the forty or so volunteers who supported us through the year. They usher all our productions and welcome patrons to the building; some help more broadly, such as proofreading our print material and supporting our connections with the local area. We train our volunteers in the relevant aspects of theatre operations, including health & safety, customer services and evacuation procedures, use of radio and basic cashing-up. They do all this without pay or benefits and give their time generously and flexibly. We greatly appreciate their contribution.

Statement of responsibilities of the trustees

The trustees (who are also directors of Park Theatre for the purposes of company law) are responsible for preparing the trustees' annual report and the 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 which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, 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 UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2020 was 10 (2019: 9). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 10 November 2020 and signed on their behalf by

Nigel Pantling
Chair of Trustees

Opinion

We have audited the financial statements of The Park Theatre (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. 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 group's and of the parent charitable company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

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 group financial statements section of our report. We are independent of the group and parent 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the group financial statements is not appropriate; or
- The trustees have not disclosed in the group financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report other than the group financial statements and our auditor's report thereon. Our opinion on the group 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.

In connection with our audit of the group financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in 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 there is a material misstatement in the group financial statements or a material misstatement of the other information. 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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
- 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' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the

Independent auditor's report

to the members of

The Park Theatre

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 group's and the parent 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 group or the parent 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's or the parent charitable company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Independent auditor's report

to the members of

The Park Theatre

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Judith Miller (Senior statutory auditor)

8 December 2020

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The Park Theatre

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2020

		Unrestricted funds		Restricted funds	2020	Unrestricted funds		Restricted funds	2019
	Note	General	Designated	funds	Total	General	Designated	funds	Total
		£	£	£	£	£	£	£	£
Income from:									
Donations and legacies	2	180,934	–	102,899	283,833	167,252	–	121,335	288,587
Charitable activities	3	983,630	–	–	983,630	506,335	–	–	506,335
Other trading activities	4	886,459	–	–	886,459	982,578	–	–	982,578
Investments		–	–	–	–	2	–	–	2
Total income		2,051,023	–	102,899	2,153,922	1,656,167	–	121,335	1,777,502
Expenditure on:									
Raising funds		809,383	–	–	809,383	905,482	–	–	905,482
Charitable activities		1,063,565	68,165	110,774	1,242,504	733,759	77,547	179,687	990,993
Total expenditure	5	1,872,948	68,165	110,774	2,051,887	1,639,241	77,547	179,687	1,896,475
Net income / (expenditure) and net movement in funds		178,075	(68,165)	(7,875)	102,035	16,926	(77,547)	(58,352)	(118,973)
Reconciliation of funds:									
Total funds brought forward		323,387	1,532,164	21,250	1,876,801	306,461	1,609,711	79,602	1,995,774
Total funds carried forward		501,462	1,463,999	13,375	1,978,836	323,387	1,532,164	21,250	1,876,801

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 19.

The Park Theatre

Balance sheets

Company no. 7091161

As at 31 March 2020

	Note	The group 2020 £	2019 £	The charity 2020 £	2019 £
Fixed assets:					
Tangible assets	11	1,521,095	1,611,946	1,521,095	1,611,946
Investments	12	–	–	2	2
		<u>1,521,095</u>	<u>1,611,946</u>	<u>1,521,097</u>	<u>1,611,948</u>
Current assets:					
Stock	15	1,137	14,395	–	–
Debtors	16	202,248	105,718	317,585	111,273
Cash at bank and in hand		709,152	668,998	662,758	652,413
		<u>912,536</u>	<u>789,111</u>	<u>980,343</u>	<u>763,686</u>
Liabilities:					
Creditors: amounts falling due within one year	17	(454,795)	(524,255)	(417,083)	(449,422)
		<u>457,741</u>	<u>264,855</u>	<u>563,260</u>	<u>314,264</u>
Net current assets					
		<u>457,741</u>	<u>264,855</u>	<u>563,260</u>	<u>314,264</u>
Total net assets	18a	<u>1,978,836</u>	<u>1,876,801</u>	<u>2,084,357</u>	<u>1,926,212</u>
Funds:	19a				
Restricted income funds		13,375	21,250	13,375	21,250
Unrestricted income funds:					
Designated funds		1,463,999	1,532,164	1,463,999	1,532,164
General funds		606,984	372,798	606,984	372,798
Non-charitable trading funds		(105,522)	(49,411)	–	–
		<u>1,965,461</u>	<u>1,855,551</u>	<u>2,070,984</u>	<u>1,904,962</u>
Total unrestricted funds		<u>1,965,461</u>	<u>1,855,551</u>	<u>2,070,984</u>	<u>1,904,962</u>
Total funds		<u>1,978,836</u>	<u>1,876,801</u>	<u>2,084,357</u>	<u>1,926,212</u>

Approved by the trustees on 10 November 2020 and signed on their behalf by

Nigel Pantling
Chair of Trustees

The Park Theatre

Consolidated statement of cash flows

For the year ended 31 March 2020

	Note	2020 £	£	2019 £	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		102,035		(118,973)	
Depreciation charges		100,547		119,970	
Dividends, interest and rents from investments		–		2	
Increase in stocks		13,259		(2,392)	
Decrease in debtors		(96,530)		(49,733)	
Increase/(decrease) in creditors		(69,460)		(6,876)	
Net cash provided by operating activities			49,850		(58,001)
Cash flows from investing activities:					
Dividends, interest and rents from investments		–		(2)	
Purchase of fixed assets		(9,696)		–	
Net cash used in investing activities			(9,696)		(2)
Change in cash and cash equivalents in the year			40,154		(58,003)
Cash and cash equivalents at the beginning of the year			668,998		727,001
Cash and cash equivalents at the end of the year			709,152		668,998

1 Accounting policies

a) Statutory information

The Park Theatre is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address is 11 Clifton Terrace, Finsbury Park, London, N4 3JP.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Cafe bar income comprises sales of food and drink and are recognised at the point of sale.

Workshop income comprises amounts due in respect of creative learning classes held at the theatre and are recognised on receipt.

Theatre rental comprise amounts due from third parties for rental of theatre space for a third party production. Theatre rental is recognised in the period in which the performance occurs.

Box office income comprises ticket sales for the charity's own productions and are recognised in the period in which the performance occurs.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is split between a designated fund, for depreciation on Long Leasehold Property assets, and straight line against unrestricted funds, for depreciation of Fixtures & Fittings and Office Equipment.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|---------------------------|-------------------|
| ● Long leasehold property | 4% straight line |
| ● Fixtures and fittings | 15% straight line |
| ● Office equipment | 25% straight line |

l) Investments in subsidiaries

Investments in subsidiaries are at cost.

1 Accounting policies (continued)

m) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income holds the expected receipt of theatre's claim of Theatre Tax Relief from HMRC and the distribution donation from the Production Company post year end.

o) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

s) Pensions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Gifts	139,022	59,899	198,921	123,422	86,748	210,170
Subscriptions	41,912	–	41,912	31,330	–	31,330
Grants	–	43,000	43,000	12,500	34,587	47,087
	<u>180,934</u>	<u>102,899</u>	<u>283,833</u>	<u>167,252</u>	<u>121,335</u>	<u>288,587</u>

The Park Theatre

Notes to the financial statements

For the year ended 31 March 2020

3 Income from charitable activities

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Box office	560,550	–	560,550	118,980	–	118,980
Workshop	18,048	–	18,048	15,247	–	15,247
Other	62,701	–	62,701	24,692	–	24,692
Theatre rental	324,923	–	324,923	338,598	–	338,598
Recharged Expenses	17,408	–	17,408	8,818	–	8,818
Total income from charitable activities	<u>983,630</u>	<u>–</u>	<u>983,630</u>	<u>506,335</u>	<u>–</u>	<u>506,335</u>

4 Income from other trading activities

	2020 Total £	2019 Total £
Café bar	481,417	473,635
Production Company	402,667	508,343
Fundraising activities: Name a seat	2,375	600
	<u>886,459</u>	<u>982,578</u>

All income from trading activities is unrestricted.

The Park Theatre

Notes to the financial statements

For the year ended 31 March 2020

5a Analysis of expenditure (current year)

	Raising funds £	Charitable activities £	Governance costs £	Support costs £	2020 Total £
Staff costs (Note 7)	347,261	430,338	23,380	146,125	947,104
Production costs	35,301	346,206	-	-	381,507
Premises costs	14,664	7,332	-	124,646	146,642
Advertising and marketing	-	82,034	-	14,477	96,511
Insurance	-	-	-	12,048	12,048
Travelling and entertainment	2,192	2,193	-	-	4,385
Office and internet	-	-	-	31,616	31,616
License fees	-	-	-	2,491	2,491
Sundry	278	-	-	833	1,111
Box office costs	-	44,482	-	-	44,482
Professional fees	-	-	-	7,443	7,443
Bank charges	1,090	-	-	1,090	2,180
Audit and accountancy	-	-	4,950	-	4,950
Café bar	193,683	-	-	21,520	215,203
Irrecoverable VAT	-	-	-	45,097	45,097
Corporation Tax Charge	-	-	-	8,570	8,570
Depreciation	-	-	-	100,547	100,547
	594,469	912,585	28,330	516,503	2,051,887
Support costs	199,980	306,993	9,530	(516,503)	-
Governance costs	14,934	22,926	(37,860)	-	-
Total expenditure 2020	809,383	1,242,504	-	-	2,051,887

The Park Theatre

Notes to the financial statements

For the year ended 31 March 2020

5b Analysis of expenditure (prior year)

	Raising funds £	Charitable activities £	Governance costs £	Support costs £	2019 Total £
Staff costs (Note 7)	396,401	258,639	58,849	177,442	891,332
Production costs	–	304,510	–	–	304,510
Premises costs	14,352	7,176	–	121,990	143,518
Advertising and marketing	–	50,005	–	8,824	58,829
Insurance	–	–	–	12,081	12,081
Travelling and entertainment	2,202	2,202	–	–	4,404
Office and internet	–	–	–	32,610	32,610
License fees	–	–	–	335	335
Sundry	1,018	–	–	3,055	4,073
Box office costs	–	46,718	–	–	46,718
Professional fees	–	–	–	16,619	16,619
Bank charges	130	–	–	130	260
Audit and accountancy	–	–	15,500	–	15,500
Café bar	197,398	–	–	21,933	219,331
Irrecoverable VAT	–	–	–	26,386	26,386
Depreciation	–	–	–	119,970	119,970
	611,501	669,250	74,349	541,375	1,896,476
Support costs	244,301	267,371	29,703	(541,375)	–
Governance costs	49,680	54,372	(104,052)	–	–
Total expenditure 2019	905,482	990,993	–	–	1,896,476

Notes to the financial statements

For the year ended 31 March 2020

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2020 £	2019 £
Depreciation	100,547	119,970
Operating lease rentals:		
Property	25,000	25,000
Other	991	1,981
Auditor's remuneration (excluding VAT):		
Audit	9,700	9,500
	<u>9,700</u>	<u>9,500</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	833,737	763,004
Social security costs	59,575	55,839
Employer's contribution to defined contribution pension schemes	15,623	10,530
Other staff costs	38,169	61,958
	<u>947,104</u>	<u>891,331</u>

No employee earned more than £60,000 during the year (2019: £nil).

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £237,708 (2019: £229,631).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

No trustees received any reimbursed expenses (2019: £nil).

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 47 (2019: 48).

9 Related party transactions

During the year Mr Jeremy Bond, the charity's President and father of Mr Jez Bond, the Theatre's Artistic Director, made a donation of £10,000 to Park Theatre's Production Fund.

As per last year, the freeholders for Park Theatre are Mr Jez Bond (the Theatre's Artistic Director) and his siblings Ms Imola Melinda Bond and Ms Nicola Zsuzsa Primerano Riano.

During the financial year, rent of £25,000 (2019: £25,000) was paid to the freeholders.

Mr Jeremy Bond was the managing partner of Park Marketing Consultants LLP and was associated with Mr Jez Bond and Ms Melli Marie, both employees of the Theatre. He was the freeholder of 11/13 Clifton Terrace until 31 December 2017 and a party to the lease whereby that property is occupied by the Theatre.

Mr Jeremy Bond had accepted the position of President of the Theatre, but did not attend Trustees' meetings and was not involved in the governance and executive management of the Theatre; he has received no remuneration, expenses, interest or rent from the Theatre since it was formed.

During the year the a number of trustees purchased memberships, gala tickets and participated in other fund raising events of the charity. Each of the transactions were carried out at an arms length basis.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiaries distribute under gift aid available profits to the parent charity. The charge to corporation tax in the year was:

	2020 £	2019 £
UK corporation tax at 19%	-	-

11 Tangible fixed assets

The group and charity

	Long term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At the start of the year	1,961,957	274,612	47,416	2,283,985
Additions in year	–	8,347	1,349	9,696
At the end of the year	1,961,957	282,959	48,765	2,293,681
Depreciation				
At the start of the year	429,793	204,884	37,362	672,039
Charge for the year	68,165	26,027	6,355	100,547
At the end of the year	497,958	230,911	43,717	772,586
Net book value				
At the end of the year	1,463,999	52,048	5,048	1,521,095
At the start of the year	1,532,164	69,728	10,054	1,611,946

All of the above assets are used for charitable purposes.

12 Fixed asset investments

	The group		The charity	
	2020 £	2019 £	2020 £	2019 £
Investments in subsidiary companies	–	–	2	2

13 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of Park Theatre Cafe Bar Limited and Park Theatre Productions Limited, both of which are companies registered in England and Wales (company registration numbers 09492315 and 09358327 respectively) and their registered address is 11 Clifton Terrace, Finsbury Park, London, N4 3JP. The subsidiaries are used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are distributed under gift aid to the charitable company.

The trustees A Cleland-Bogle and V Phillips are also Directors of Park Theatre Cafe Bar Limited, along with the Artistic and Executive Directors. The trustee N.Frankfort together with the Artistic and Executive Directors are also Directors of Park Theatre Productions Limited.

A summary of the results of each subsidiary is shown below:

	Park Theatre Café Bar Limited		Park Theatre Productions Limited	
	2020	2019	2020	2019
	£	£	£	£
Turnover	481,409	473,629	337,555	485,209
Cost of sales	(192,671)	(192,244)	(426,381)	(439,394)
Gross profit/(loss)	288,738	281,385	(88,826)	45,815
Administrative expenses	(295,718)	(330,801)	(25,425)	(23,842)
Other operating income	–	–	65,112	23,133
Bank interest	8	5	–	–
Operating profit / (loss)	(6,972)	(49,411)	(49,139)	45,106
Theatre tax credit	–	–	–	–
Profit/(loss) on ordinary activities	(6,972)	(49,411)	(49,139)	45,106
Distribution to parent under gift aid	–	–	–	(45,106)
Profit/(loss) for the financial year	(6,972)	(49,411)	(49,139)	–
The aggregate of the assets, liabilities and funds was:				
Assets	–	–	–	–
Liabilities	(6,972)	(49,411)	(49,139)	–
Funds	(6,972)	(49,411)	(49,139)	–

Included within administrative expenses above is a management charge of £51,000 (2019: £51,000) from the parent entity. Included within Cost of Sales of the Production Company lies the rental charge and recharges to the Parent Company.

Amounts owed to/from the parent undertaking are shown in note 16 and 17.

14 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2020	2019
	£	£
Gross income	1,418,838	1,031,629
Result for the year	158,146	(69,562)

15 Stock

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Finished goods	1,137	14,395	–	–
	<u>1,137</u>	<u>14,395</u>	<u>–</u>	<u>–</u>

16 Debtors

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Amounts owed to group undertakings	–	–	116,701	–
Trade debtors	49,493	38,728	48,130	36,883
VAT debtor	–	–	–	16,565
Other debtors	69,347	9,612	69,347	664
Prepayments and accrued income	83,408	57,378	83,407	57,161
	<u>202,248</u>	<u>105,718</u>	<u>317,585</u>	<u>111,273</u>

17 Creditors: amounts falling due within one year

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Amounts owed to group undertakings	–	–	–	65,249
Trade creditors	118,319	86,547	89,832	49,762
Taxation and social security	20,473	29,716	20,228	16,211
Other creditors	12,252	4,472	7,498	1,046
Accruals and deferred income	303,751	403,520	299,525	317,154
	<u>454,795</u>	<u>524,256</u>	<u>417,083</u>	<u>449,422</u>

18a Analysis of group net assets between funds (current year)

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	57,096	1,463,999	–	1,521,095
Net current assets	444,366	–	13,375	457,741
Net assets at 31 March 2020	501,462	1,463,999	13,375	1,978,836

18b Analysis of group net assets between funds (prior year)

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	79,782	1,532,164	–	1,611,946
Net current assets	243,605	–	21,250	264,855
Net assets at 1 April 2019	323,387	1,532,164	21,250	1,876,801

19a Movements in funds (current year)

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2020 £
Restricted funds:					
ACE – Access Programme	–	1,800	(1,800)	–	–
City Bridge – Access Programme	–	22,250	(17,875)	–	4,375
Community Engagement Officer	5,000	14,000	(15,000)	–	4,000
Lady Brittan	–	3,000	(3,000)	–	–
Producers Circle	–	12,350	(12,350)	–	–
Production Fund	10,000	5,000	(15,000)	–	–
Annual Fund	–	276	(276)	–	–
Telford Homes	–	10,000	(10,000)	–	–
Islington Council	2,000	3,123	(5,123)	–	–
Three Monkeys Trust	–	–	–	–	–
ACE – Script Accelerator	–	–	–	–	–
All Change Arts	–	–	–	–	–
Morris Trust – Creative Learning	–	5,650	(5,650)	–	–
Marianne Falk	–	–	–	–	–
Mercer's Trust	4,250	20,750	(20,000)	–	5,000
Richard & Lesley Ruben	–	–	–	–	–
Script Accelerator	–	–	–	–	–
The Makower Prize Fund	–	–	–	–	–
Victoria Wood Foundation	–	4,700	(4,700)	–	–
Total restricted funds	21,250	102,899	(110,774)	–	13,375
Unrestricted funds:					
Designated funds:					
Property fund	1,532,164	–	(68,165)	–	1,463,999
Total designated funds	1,532,164	–	(68,165)	–	1,463,999
General funds	372,798	1,166,939	(932,752)	–	606,984
Non-charitable trading funds	(49,411)	884,085	(940,195)	–	(105,522)
Total unrestricted funds	1,855,551	2,051,023	(1,941,113)	–	1,965,461
Total funds	1,876,801	2,153,922	(2,051,887)	–	1,978,836

The narrative to explain the purpose of each fund is given at the foot of the note below.

19b Movements in funds (prior year)

	At 31 March 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 1 April 2019 £
Restricted funds:					
City Bridge – Access Programme	–	20,087	(20,087)	–	–
Community Engagement Officer	–	12,000	(7,000)	–	5,000
Lady Brittan	10,000	–	(10,000)	–	–
Linda Almond	–	500	(500)	–	–
Production Fund	60,000	40,000	(90,000)	–	10,000
Annual Fund	5,000	–	(5,000)	–	–
Schools Tour	1,875	–	(1,875)	–	–
Islington Council	–	6,500	(4,500)	–	2,000
Three Monkeys Trust	–	5,000	(5,000)	–	–
ACE – Script Accelerator	–	7,553	(7,553)	–	–
All Change Arts	–	250	(250)	–	–
Creative Learning	–	–	–	–	–
Marianne Falk	–	10,000	(10,000)	–	–
Mercer's Trust	–	14,250	(10,000)	–	4,250
Richard & Lesley Ruben	–	5,000	(5,000)	–	–
Script Accelerator	–	195	(195)	–	–
The Makower Prize Fund	250	–	(250)	–	–
Arsenal in the Community	2,477	–	(2,477)	–	–
Total restricted funds	79,602	121,335	(179,687)	–	21,250
Unrestricted funds:					
Designated funds:					
Property fund	1,609,711	–	(77,547)	–	1,532,164
Total designated funds	1,609,711	–	(77,547)	–	1,532,164
General funds	306,461	674,191	(607,854)	–	372,798
Non-charitable trading funds	–	981,976	(1,031,387)	–	(49,411)
Total unrestricted funds	1,916,172	1,656,167	(1,716,788)	–	1,855,551
Total funds	1,995,774	1,777,502	(1,896,475)	–	1,876,801

19 Movements in funds (continued) – purposes of funds

Purposes of designated funds

The Property Fund represents the net book value of long term leasehold assets. Depreciation of these assets is charged against the fund.

Purposes of restricted funds

City Bridge Trust – grant to support our Accessible Performance programme delivering 25 access performances a year and a contribution towards the salary of our Access Co-ordinator.

Morris Trust – grant to support our work with Young People including the launch of our Park Up scheme, setting up of our Youth Board and a programme of workshops.

Arts Council England – grant to support a D/deaf and disabled casting day.

Victoria Wood Foundation – grant to support the addition of singing workshops to our Reminiscence project

Mark Constantine –contribution towards Community Engagement Manager.

Haringay Council – grant to support our contribution towards the Finsbury Park 150th Birthday performance by our adult creative learning participants.

Schools Tour – donation supporting backstage tours and workshops.

Mercers' Trust – grant to support the Reminiscence Project working with people affected by dementia and their

Telford Homes – sponsorship of our Season Brochure.

Lady Brittan – contribution towards Community Engagement Manager salary.

Jacob Charitable Trust – donation towards our Creative Learning programme

Production Fund – Donations to the Production Fund support the costs of mounting in-house productions and core producing costs

Annual Fund – campaign to raise money towards core costs – building maintenance and staffing.

20 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2020	2019	2020	2019
	£	£	£	£
Less than one year	25,000	25,000	991	1,981
One to five years	100,000	100,000	–	2,641
Over five years	300,000	325,000	–	–
	425,000	450,000	991	4,622

21 Post Balance Events

After the balance sheet date, Park Theatre was awarded a £250,000 unrestricted grant from the Arts Council England Cultural Recovery Fund.

22 Legal status of the charity

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.