

**The Havering Theatre Trust  
Limited (Trading as Queen's  
Theatre Hornchurch)**

**Annual Report and Financial  
Statements**

31 March 2022

Company Limited by Guarantee  
Registration Number  
00524845 (England and Wales)

Charity registration number  
248680

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## Reference and administrative information

<b>Trustees</b>	Julie Parker Sara Thompson Timothy Walford-Fitzgerald Paul McGeary David Shearing Amanda Barker Christine Smith Dominic Hedges George Morgan (resigned 30 September 2021) Neha Issar-Brown Sonja Lahiff Andrea Cunningham Melvin Wallace
<b>Registered address</b>	Queens Theatre Billet Lane Hornchurch Essex  RM11 1QT
<b>Company registration number</b>	00524845 (England and Wales)
<b>Charity registration number</b>	248680
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	National Westminster Bank plc South Street Romford Essex RM1 1RD

The trustees present their report along with the financial statements of the charity for the year ended 31 March 2022. The financial statements have been prepared in accordance with the accounting policies set out on pages 30 to 34 and comply with the Charity's Trust Deed of 1953, the Companies Act 2006, the Charities Act 2011 and the 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 (the FRS 102 Charities SORP).

## STRUCTURE, GOVERNANCE AND MANAGEMENT

The Havering Theatre Trust is a registered charity limited by guarantee incorporated on 19 October 1953.

Trustees are appointed by the Board. The constitution provides for between six and twenty Trustees, each Member having liability of not exceeding £1.

### Changes during the year

### ***London Borough of Havering nominations***

Up to three Trustees are direct nominations made annually by the London Borough of Havering. Cllrs Paul McGeary, Melvin Wallace and Christine Smith were appointed for a further year in May 2021.

## Notes about terms of service for Trustees

Trustees not nominated by the London Borough of Havering are appointed for a maximum of two three-year periods. Due to ongoing recruitment to replace the former Chair and Deputy Chair Sara Thompson and David Shearing have agreed to continue as interim cover. In September 2021 George Morgan stepped down as Trustee due to other commitments.

## Senior Management

Douglas Rintoul                      Artistic Director – Joint Chief Executive

**Mathew Russell** Executive Director – Joint Chief Executive

After six very successful years Douglas Rintoul is leaving the post of Artistic Director in May 2022 to take up the new leadership role at New Wolsey Theatre Ipswich. QTH has announced a new creative leadership team for 2022/23 to work with an array of talent as an innovative opportunity to experiment with different forms of what creative leadership might mean to Queen's Theatre Hornchurch. Maisey Bawden and Danielle Kassaraté are founders of Mawa Theatre, the UK's first all black all Female Shakespeare Company and will be working together part time as Associate Directors (Talent Development). Graeae, the acclaimed and award winning theatre company championing the best in Deaf and disabled talent will take on the role of Creative Associate. Their team, of associates will support leadership in innovation helping the venue discover and work with more Deaf and disabled artists. Tim Jackson, director and choreographer will direct the regional premiere of Kinky Boots. Caroline Leslie who directed The Kitchen Sink will direct Sleeping Beauty.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Senior Management** (continued)

Stef O'Driscoll will be working with Vicki O'Donoghue on developing the world premiere of Vicki's new play about the Canvey Island floods of 1953 to be staged in Spring 2023.

### **Governance**

The Trustees meet as the Board no less than five times per year to consider, and if appropriate to approve, artistic, financial, and administrative reports, and to consider and agree strategy and areas of activity for the Trust.

The Board met regularly throughout the year with additional meetings to cover the complexity of Covid-19.

The Trustees have established a Finance and General Purposes Sub-committee to undertake detailed consideration of the Trust's finances and operations as appropriate and a Fundraising Committee. The Board delegates to a Finance and General Purposes Subcommittee the detailed scrutiny of reports and budgets. The Finance and General Purposes Subcommittee makes recommendations to the Board based on this scrutiny. The membership of the Finance and General Purposes Subcommittee in this period was as follows:

Julie Parker – Chair

Tim Walford-Fitzgerald

Cllr Melvin Wallace

Daniel Gearing

David Shearing

Mark Wright

Frances Whitehead

### **Fundraising Committee**

To support the Main Board and Executive team in the development and oversight of Queen's Theatre Hornchurch's Fundraising Strategy and objectives. The membership of the Fundraising Subcommittee in this period was as follows:

Sonja Latiff – Chair

Sara Thompson

Cllr Melvin Wallace

Natalie Chan

Christine Smith

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Governance** (continued)

#### ***Fundraising Committee*** (continued)

During the year a further 2 Sub-committees were set up in addition to the Finance and General Purposes Sub-committee and the Fundraising Committee.

#### ***Environmental Responsibility Committee***

To promote and deliver the need for environmental responsibly in QTH's work, in the communities it works with, partners and audiences. The membership of the Environmental Responsibility Subcommittee in this period was as follows:

David Shearing – Chair

Sara Thompson

Dominic Hedges

Cllr Paul McGeary

Daniel Jones

Paul Burgess

#### ***Inclusivity and Relevance Committee***

To shape and influence the development and delivery of QTH's inclusivity and relevance strategy. The membership of the Inclusivity and Relevance Subcommittee in this period was as follows:

Neha Brown – Chair

Julie Parker

Andrea Cunningham

Amanda Smethurst

Trustees are recruited with reference to analyses of:

- a) the current skills and network base of the Board
- b) the expected requirements for the next three-year cycle of membership

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Governance** (continued)

#### ***Inclusivity and Relevance Committee*** (continued)

Executive pay at the Theatre aims to:

- ◆ recruit and retain talented individuals to lead and further develop a rapidly growing organisation; and
- ◆ develop and sustain high performance.

The Board of Trustees is responsible for the setting of Executive Pay following periodic review. Pay for senior staff reflects the market for comparable jobs in comparable organisations, the level of knowledge, skills and experience required and the responsibilities and accountabilities associated with each role and the performance of the charity.

### **Funding context**

London Borough of Havering remains one of the Trust's two principal funders. Quarterly review meetings and reporting are held with the Havering Council Cabinet member responsible for Culture, with officers in attendance.

The London Borough of Havering also makes a small grant in respect of educational work, especially the youth programme QYouth.

In addition the Trust administers a grant for minor maintenance of the Queen's Theatre Hornchurch (QTH) building on behalf of the London Borough of Havering, its owner. This arrangement continues, although there has been no increase in the grant since the start of the arrangement, and it is increasingly difficult to meet the maintenance needs of the building.

Funding was received from Arts Council England, as part of the Arts Council's National Portfolio (ACE NPO) for 2018-22, extended for 22-23 year. QTH are currently in the process of applying for ACE NPO funding for the 2023-2026 period.

### **Analysis of risk**

Trustees consider that the principal risk to which the Trust is exposed is financial and concerning that element over which direct control cannot be exercised, namely box office income. Box office attendance in turn has a direct effect on ancillary income including bar and cafe sales, programme sales, and confectionery sales.

Trustees have established systems to control and reduce this risk as follows:

- ◆ In setting budgets, Trustees note models of box office income based on historical booking data for similar productions in similar periods.
- ◆ Box office sales are monitored daily by marketing staff and weekly by senior management, and Trustees are informed of significant variance on a production.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Analysis of risk** (continued)

- ◆ The Finance and General Purposes Committee undertakes more detailed review of management accounts and other reporting than is possible by the whole Board and advises the larger body on strategy as appropriate.
- ◆ In the event of a projected shortfall, Trustees have recourse to remedies including raising ticket prices; reducing expenditure budgets; investing from unrestricted reserves and amending the programme of work for the medium and long-term.

Where appropriate (for example, where an activity is outside the competence of the present membership), Trustees will seek expert advice, either through recruitment or through the services of a professional.

## **OBJECTIVES AND ACTIVITIES**

In accordance with the Memorandum and Articles of Association, the objects of The Havering Theatre Trust (Queen's Theatre Hornchurch) are:

- ◆ "to promote, maintain, improve and advance education and the Arts particularly by the production of plays and the encouragement of the Arts including the arts of drama, mime, dance, singing and music"
- ◆ Queen's Theatre Hornchurch (QTH) is the only professional producing theatre in the region, from Stratford in the west to Colchester in the east. Audiences come from throughout the sub-region and the organisation is an inspiring and emblematic cultural centre for the people of outer East London and South Essex.

During the year, QTH started to increase work produced in accordance with Covid-19 restrictions lifting.

- ◆ QTH rehearsed and opened Tim Firth's Neville's Island
- ◆ Launched Tales from the Thames
- ◆ Reopened the building to the public with in person groups such as Baby Sensory and Over 50's Musical Workout
- ◆ Young Changemakers produced the hugely successful Re-Emerge
- ◆ Produced Tiny Telephone Plays, written by community members and performed by professional actors
- ◆ Rehearsed and performed the world premiere of Love Letters
- ◆ Revived the National Theatre's production of Beginning
- ◆ Opened the world premiere production of The Witchfinder's Sister



**OBJECTIVES AND ACTIVITIES** (continued)

- ◆ Ran a series of Summer Schools
- ◆ Aladdin opened and was seen by 22,754 people
- ◆ All My Sons opened at QTH before transferring to New Wolsey Ipswich for 1 week
- ◆ The Kitchen Sink by Tom Wells closed the year
- ◆ Learning and Participation activities resumed in person as restrictions lifted

**Public benefit**

Queen's Theatre Hornchurch's vision during 2021/2022 was:

- ◆ Great homegrown theatre at the heart of a changing community

Queen's Theatre Hornchurch's aims during 2021/22 were to:

- ◆ change the way programming responds to the narratives of place and community.
- ◆ make and present a widening range of theatre that connects with different people.
- ◆ strategically develop the participatory programme so that it engages existing and new people in deeper ways.
- ◆ enhance the talent development offer to meet local and national needs.
- ◆ modernise and ensure best practice is adopted in every aspect of the ways in which the organisation, building and its staff operate.

The theme of populism is key to the delivery of public benefit. Beneficiaries come chiefly from outer East London and Essex, and populism paired with the ideal of affordability mean that work is programmed to be accessible both in content and cost.

QTH completed QNext, a £250k Invest to Save improvements project in light of issues highlighted at the COP 26 UN Climate Change Conference. The work included solar power generation, LED lighting upgrade, insulation and reduced water use and air handling upgrade.

**SUMMARY OF ACHIEVEMENTS AND PERFORMANCE**

Despite being a pandemic year, for some of which QTH was closed, from April 2021 to March 2022, 64,585 tickets were sold, at a value of £1,270,754. This included free ticketing for community tours of Tales From The Thames and Essex Princess.

Despite the evident challenges with audiences slow to return to theatre going, QTH played to an average occupancy of 59%.

### **SUMMARY OF ACHIEVEMENTS AND PERFORMANCE** (continued)

In the period, QTH still produced 8 productions: 'Neville's Island', 'Tales From The Thames', 'Love Letters', 'Beginning', 'The Witchfinder's Sister', 'Aladdin', 'All My Sons' and 'The Kitchen Sink'.

QTH's production of 'Beginning' were seen by 1,893 people on tour to Theatre Royal Bath, and 'All My Sons' by 708 people at New Wolsey Ipswich.

QTH sold 694 Under 26 tickets and secured 43 school bookings (4,375 tickets).

One of the most impressive statistics is how QTH continued to attract new bookers. Despite the strangest of times, when theatres often relied on their keenest devotees first, 45.2% of QTH audience were new bookers, a really positive reflection on the range of programming and audience development approaches QTH continue to undertake. And so vital being based in the 11th fastest changing borough in the country.

### **Queen's Theatre Hornchurch productions**

QTH announced plans to reopen to the public in person on 17 May 2021 as Covid-19 restrictions were lifted with a new production of Tim Firth's hit comedy 'Neville's Island' attracting significant online media coverage. Socially distanced seating was in place throughout.

**★★★★★'Beautifully written and at Hornchurch beautifully directed: it really works!'**  
**London Theatre1**

**★★★★ 'Superb. Emma Baggott's new production might initially seem low-key but it captures the play's qualities as a nicely balanced, slow-burning farce'** **The Stage**

**'wonderfully funny...snappy comic dialogue'** **Daily Telegraph**

The world premiere of QTH Artistic Director Douglas Rintoul's musical 'Love Letters' opened to rave reviews and a nomination in the Off West End Theatre Awards (Offies) for New Musical. Featuring songs from Essex's very best such as Alison Moyet, Billy Bragg, Blur, Jessie J, Olly Murs and many more.

**★★★★ 'Warm and gentle humour keeps things lively and engaging. The production pulls at the heartstrings but is never overly sentimental. An enjoyable and entertaining experience'** **LondonTheatre1**

**★★★★ 'The band's playing is so brilliant, it's likely many of the audience will be heading to iTunes after the show, keen to keep listening to Essex music'** **Musical Theatre Review**

**'Love Letters is the all-singing, all-dancing and all-Essex musical which the world didn't even know it was missing'** **Romford Recorder**

**'A jukebox musical full of fast paced fun. This is a show for everybody and will have you clapping in your seats'** **The Havering Daily**

## **SUMMARY OF ACHIEVEMENTS AND PERFORMANCE (continued)**

### **Queen's Theatre Hornchurch productions (continued)**

The Autumn season saw a revival of 'Beginning' a National Theatre production in association with QTH by Romford born David Eldridge before embarking on a national tour.

**David Eldridge** says *'I am thrilled that the tour of the revival of Polly Findlay's magical National Theatre production of my play Beginning will begin its journey at the Queen's Theatre Hornchurch. It's the theatre where I did work experience aged 18 and having a play on in RM11 feels like a homecoming of the most moving kind. I can't wait.'*

**★★★★** *'It's melancholy but with an undercurrent of hope that these two might finally find what they are looking for.'* **Broadway Baby**

**★★★★** *'There is nothing earth-shattering about their lives. Indeed, they are almost remarkable for their ordinariness. Their revelations are more of a study in the obstacles people put on the path to fulfilment and the frustrations and insecurities they suffer as a consequence.'* **Broadway Baby**

**★★★★** *'There's a level of honesty that is refreshing and also somewhat painful to watch – the truth is glorious and freeing, and yet the truth can also hurt.'* **LondonTheatre1**

*'Amanda Ryan as Laura and Simon Darwen as Danny are quite brilliant in their portrayals; their timing and movement make the whole show, a straight-through 100 minutes, go paradoxically slow and fast but never lose the atmosphere of comedy and poignancy.'* **The Havering Daily**

*'Beginning is a tender comedy full of well-observed detail and recognisable emotional vulnerability.'* **The Stage**

QTH continued its Essex theme with the world premiere of Beth Underdown's chilling and creepy tale of Essex witch hunts 'The Witchfinder's Sister' part of the Essex on Stage programme. Adapted from the novel by Vickie Donoghue and directed and choreographed by Jonnie Riordan.

**'An intriguing piece of theatre' London Theatre 1**

**'A well produced, atmospheric staging of Beth Underdown's 2017 novel' Everything Theatre**

**'I would certainly recommend going to see it this Halloween. There are lots of chilling moments that will leave you holding your breath' Hornchurch Life**

QTH produced 'Aladdin' by Andrew Pollard featuring original music and lyrics by Tom Self and directed by Douglas Rintoul. It was seen by 22,754 people and achieved the highest average ticket price for a panto and would have achieved the highest grossing panto to date if not for the cancelled performances due to Covid-19

**★★★★★** *'If you only get the opportunity to watch one panto this year, then this is the one, a must for all'* **The Havering Daily**

## SUMMARY OF ACHIEVEMENTS AND PERFORMANCE (continued)

### Queen's Theatre Hornchurch productions (continued)

★★★★ *'A funny, charming, and well produced show that captures the spirit of the season' Everything Theatre*

★★★★ *'A gloriously fun atmosphere. A worthy treat for all the family' London Theatre*

*'The show was nothing short of fantastic' Mum's Guide to Romford*

The Spring season started with Arthur Miller's moving and powerful landmark drama 'All My Son's' before transferring to New Wolsey Ipswich. David Hounslow was nominated for an Offies Award for Lead Performance in a Play and Oliver Hembrough for Supporting Performance in a Play

David Hounslow who is best known for his roles in *Coronation Street* and *Doctors* said:

*"Playing Joe is an absolute joy. He is a strong yet delusional man who is living a lie, a lie that he has convinced himself to be a truth. He is a flawed but likeable character, audiences recognise his working-class origins – the self-made man, following the Capitalist dream and prepared to make a dreadful compromise to maintain his place. It is one of the greatest plays of the 20th Century, a cracking story that rattles along devastating some of the characters along the way. I am delighted with this nomination"*

Director Douglas Rintoul says:

*"We are delighted that Oliver, a local artist residing in Thurrock, has been recognised for this award for his portrayal of Chris which is heart wrenching. He is our moral centrepiece in this drama which gives us insight into a family we can all still recognise over 70 years on".*

*"Against our contemporary context of division, post-truth, climate change and the pandemic, this play speaks to us more than ever, asking us to look at the values and beliefs we hold about our own lives and the world around us"*

★★★★ *'Gathering menace' The Stage*

★★★★ *'Intense and compelling performances' London Theatre 1*

*'Douglas Rintoul's production is devastating. I was profoundly moved' Shenton on Stage*

QTH finished the year with the 10<sup>th</sup> Anniversary production of 'The Kitchen Sink' by Tom Wells, directed by Caroline Leslie. An affectionate and sweet yet often hilarious portrait of working-class family life.

★★★★★ *'This production impeccably blends playful comedy performances with grounded, tender moments of heartfelt connection... you will leave the theatre with a touched heart and a lot to laugh about' The Reviews Hub*

## SUMMARY OF ACHIEVEMENTS AND PERFORMANCE (continued)

### Queen's Theatre Hornchurch productions (continued)

★★★★★ *'Directed by Caroline Leslie with great attention to all the nuances in the script. Not a moment is missed. Many funny lines register with great laughs from the audience. She and her cast have created a very real sense of warmth and togetherness on Zoe Hurwitz's wide, yet cluttered (in the best way) set' Southend Theatre Scene*

### ★★★★ London Theatre 1

*'This accomplished cast do justice to a play that's overflowing with laughs and bursting with heart' Theatre Weekly*

*'Comic, poignant and utterly gripping' Evening Standard*

As well as the main house produced work, QTH were very excited to be part of Creative Estuary Co-commissions – the initiative which aims to showcase 60 miles of the North Kent and South Essex region as one of the UK's most dynamic and creative areas in the whole of the UK to co-commission a piece of work called 'Tales From The Thames' bringing together 3 local writers, Rebecca Brewer, Vickie Donoghue and M G Boulter. A story of 5 people living along the banks of the River Thames whose future is about to change forever. The show toured to 10 community venues across 13 mainly sold out performances in unrepresented and underserved audience locations in South Essex reaching 321 people. Screening of a free digital version to compliment the live experience was seen by 606 people. Reallocation of £15k of the budget further supported two Black Essex commissions with Mia Jerome and Anne Odeke.

Anne Odeke's commission was based on the little-known, true story of Princess Dinubolu, Princess Essex is the funny and dynamic tale of the first black woman to ever enter a beauty pageant in the UK. Building on the success of the community tour of Tales From The Thames, Princess Essex toured to venues in Grays, Aveley, Basildon, Pitsea and West Tilbury.

Mia Jerome has developed a piece of work called Rice & Peas – a three course, three act immersive dining experience with performances taking place in April 2022 in a venue in Southend on Sea.

### Guest performances

With Covid-19 Restrictions still in place at the start of the year QTH were unable to open its doors to the public until May for the first socially distanced performances in the foyer - 'The Other Stage' and June for main house presentations. From September with further restrictions lifted we saw the return of presented work in larger numbers with customer confidence growing. Hirers confidence is yet to return with few of the regular hirers taking up their slots leaving room for some groups new to QTH to showcase their work.

## **SUMMARY OF ACHIEVEMENTS AND PERFORMANCE** (continued)

### **Guest performances** (continued)

- ◆ There were 21,350 attendances at 58 professional presentations
- ◆ There were 2,035 attendances at 40 foyer events
- ◆ There were 1,321 attendances at 8 community performances

### **Learning and participation**

QYouth provides young people with a vibrant introduction to theatre craft, in a professional theatre setting.

Weekly workshops for ages 6-18 develop creativity, confidence and team-work, as well as offering valuable opportunities to perform on the Queen's Theatre stage and elsewhere.

Younger members start their journey with the QSteps Programme our building blocks to developing performance skills. Older members graduate into our Young Company Programme, offering performance and technical opportunities for those who wish to develop further a range of theatre techniques.

Step 1 gives our youngest members a fun introduction to theatre by opening up their imagination through play, allowing them to jump into the world of acting in a friendly and supportive environment. Step 1 members will develop confidence, creativity and theatre skills, enabling them to take to the stage in a range of performance settings.

Step 2 helps further build young people's confidence through drama games and exercises whilst taking a leap into improvisation and devised performance. Members will use drama and theatre to develop creativity, unlock potential, celebrate identity and have fun.

In Step 3, we encourage members to take ownership of their ideas and nurture their theatre knowledge. Members will tackle advanced improvisations and exciting new plays, whilst building on their performance skills and learning to perform confidently to a wider audience.

Step3 is for students in school Year 7 – Year 9

QYC is our advanced theatre programme that prepares young people for further drama school training and gives them key opportunities to audition for semi-professional or professional theatre productions. As well as giving them a solid foundation of theatre practices, members of QYC Performance will improve confidence, vocal technique and team-building skills that can be applied to any work or education setting.

QYC Performance is for Year 10 – Year 13

## **SUMMARY OF ACHIEVEMENTS AND PERFORMANCE** (continued)

### **Learning and participation** (continued)

Our technical young company explores practical skills with hands-on technical theatre training, introducing the principles of sound, lighting, stage management, set and costume design. Members will hone skills through problem-solving activities and operating technical equipment under the expert mentorship of the professional technical team at the Queen's Theatre.

QYC Technical is for Year 10 – Year 13

In line with government guidance workshops began to resume in April 2021. Classes took place for Baby Sensory, Music Bugs and Over 50's Musical Workout.

Annually the National Theatre commissions ten new plays for young people to perform. Every year, 300 youth theatre companies and over 6,000 young people from every corner of the UK take part and produce a Connections play. This year the programme was adapted to be as flexible as possible, and to respond to the restrictions in place due to Covid-19. QTH were thrilled to welcome five companies over two days to present their work in front of a live, in-person audience.

The Young Changemakers group is made up of eight individuals, all from different backgrounds, all studying or working in Outer East London and Essex who are passionate about theatre and bringing young people back to it. They successfully produced Re-Emerge, a collection of new work and guest speakers to explore life in the arts post-covid.

## **RISKS**

### **Principal risks and uncertainties relating to Covid-19**

QTH is currently focusing on short term risk management that identifies and updates a specific set of the top five risks given the stage of the COVID-19 pandemic, at any one time, and reports on these via a Compliance and Risk report at each meeting of the Board.

The current principal risks are:

1. Reintroduced period of closure/social distancing
2. Slower than expected consumer demand
3. Omicron variant of COVID-19 virus causes cancellation of performances/activity
4. London Borough of Havering funding reduction
5. International increase in energy costs

**RISKS** (continued)

**Principal risks and uncertainties relating to Covid-19** (continued)

In the event any of these principal risks has a significant impact, key mitigations are:

- ◆ If the building is closed again, QTH will maintain a similar strategy to 20/21, providing accessible digital theatre retaining contact with audiences, digital engagement with participants, creative projects for isolated people & support for freelancers.
- ◆ if capacity constraints are reintroduced, particularly meaning promoters can't tour in work, QTH will create/curate some bespoke live product to replicate audience development objectives of received programming
- ◆ if reintroduced by the Government after September 2021, QTH would potentially make additional use of the Job Retention Scheme and would apply to further rounds of the Cultural Recovery Fund if available
- ◆ seek relief funding from trusts that may re-emerge and if necessary instigate a 'disaster' public fundraising campaign: trustees are keen to avoid this, as a 'one time' option with mid-term negative impacts on public perceptions of the charity
- ◆ examine whether further building closure would allow a greater short term reduction in overheads, hold posts vacant longer, redeploy staff, eliminate casual costs, and whilst restructuring has been avoided due to the high cost, difficulties recruiting to outer East London, and impact on slowing restart, this could be implemented
- ◆ whilst programming costs have been significantly reduced across 21/22, slower than expected consumer demand is being reflected in budget reforecasts and might be mitigated by more radical core programming reductions
- ◆ daily contact testing of company members followed beyond requirements of Government guidance, and understudy and swing cover arrangements implemented wherever possible. Additionally contingency plans considered and adopted relating to backstage and public facing staffing.
- ◆ QNext capital programme is being funded and prioritised in order to support the reduction of energy use.

The QTH trustees met more regularly during the pandemic, sometimes monthly or weekly, since COVID-19, playing an effective role in evaluating options and mitigating risk. This enhanced governance has been supported by rigorous reforecasting and weekly cashflow reporting, with regularly updated operational plans and internal communications.



## **RISKS (continued)**

### **Principal risks and uncertainties relating to Covid-19 (continued)**

Aside the principal risks and uncertainties relating to Covid-19 outlined above, existing principal risks are:

- ◆ box office and ancillary income shortfall against target;
- ◆ interruption to or reduction in funding; and
- ◆ fundraising shortfall against target.

The Trust is insured against loss of income arising from, for example, accidental damage, equipment failure, acts of terror etc.

## **Threats to income**

### ***Box office and earned income***

The risk here comes from a range of factors including such variables as programming choice and timing, competitive leisure-time offerings and prices, and the overall state of the national and local economy. Box office sales have a direct impact on ancillary sales and it is reasonable to consider this as a single risk.

### ***Funding income***

The Trust has a rolling single year funding arrangement with the London Borough of Havering. Funding comes in two strands:

- ◆ revenue grant
- ◆ education grant

The Trust has an ongoing funding agreement with Arts Council England. This was renewed in June 2017 for the four year period April 2018 – March 2022 but extended a further year due to the Covid-19 pandemic. The trust is currently in the process of applying for ACE NPO funding for the 2023-2026 period.

### ***Fundraising***

Fundraising generated £79k. Of this c£4k were Covid-19 donations and c£20k were from QRenew a fund set up to help with the reopening of the theatre by adding 65p fee to each ticket sold. The Theatre Club kindly donated £10k, and Queens Angels memberships generated c£12k.

As for many charities, raising voluntary funds from trusts, foundations and individuals is a vital source of income, enabling us to fulfil our charitable objectives as effectively as possible. We are very grateful for the support given by all our donors.

## **RISKS** (continued)

### **Threats to income** (continued)

#### ***Fundraising*** (continued)

The theatre believes that fundraising should be an open, honest and respectful process. We aim to build and maintain solid partnerships with our supporters and donors, based on mutual understanding and shared values.

The theatre operates with one full time fundraising member of staff. The theatre does not engage in face-to-face or telephone fundraising or any further commercial agreements that might endanger our reputation.

During the year, the theatre continued to monitor its use of data. Our Privacy Policy is published on our website, and clearly states what personal data the theatre will hold in relation to supporters and audiences and how this data will be used. It sets out how individuals can raise concerns or complaints. The theatre has received no complaints about its fundraising activities during the financial year.

## **FINANCIAL REVIEW**

In this period the Trust was in receipt of revenue funding from London Borough of Havering and Arts Council England. QTH successfully applied for DCMS Cultural Recovery Fund Round 2 and Round 3 securing £148,500 for each. Additional £12,250 CRF2 funding for Covid-19 related capital expenditure and £13,750 for funding an Associate Producer for Micro Commissions. QTH were also successful in applying for additional £100k LBH recovery Grant, £18k from Covid-19 Business Grant and £6k additional Covid-19 business grant re Omicron.

The remainder of income usually earned, principally through box office sales, but also through trading income, investment income, sponsorship and donations has increased as the theatre was able to reopen to the public in person on 17 May 2021 as Covid-19 restrictions were lifted. QTH were able to benefit from the increased Theatre Tax Credit rate for the latter two productions of the year.

QTH continued to make use of the Job Retention Scheme throughout its duration receiving over £82k in support.

## **RESERVES POLICY**

The Trustees have considered the risks to which the company is subject, and have concluded that it is prudent to maintain an unrestricted reserve fund against those risks which cannot be mitigate through, for example, insurance policies.

The new unrestricted reserves policy is based on 8 weeks of turnover as adopted by many Arts Council England funded organisations and as such has been reset at £523k.

QTH reserves at the end of 2021/2022 were £523k.

### **GOING CONCERN**

Having reviewed the charity's financial forecasts and expected future cash flows, the Trustees have a reasonable expectation that the charity and group have adequate resources to continue in operational existence for the foreseeable future, although this is subject to the unprecedented issues around Covid-19. Thus the going concern basis has been adopted in preparing the financial statements for the year ended 31 March 2022.

### **FUTURE DEVELOPMENTS**

The Executive team have developed a new business plan for April 2022 – March 2023.

### **Vision and Aims**

QTH's vision is 'Great homegrown theatre at the heart of a changing community'.

QTH's aims (up until 31 March 2023) are:

- ◆ change the way programming responds to the narratives of place and community;
- ◆ make and present a widening range of theatre that connects with different people;
- ◆ strategically develop the participatory programme so that it engages existing and new people in deeper ways;
- ◆ enhance the talent development offer to meet local and national needs; and
- ◆ modernise and ensure best practice is adopted in every aspect of the ways in which the organisation, building and its staff operate.

QTH's objectives for 2022/23 are themed around: Financial Sustainability, Fundraising, Programme and Audience Development, Participation, Organisation, Environmental Responsibility and Impact & Influence.

### ***Financial Sustainability***

- ◆ Re-establish 2019/20 levels of trading.
- ◆ Restore and inflate 2019/20 establishment costs.
- ◆ Seek increased public funding for 2023/24 and onwards.

### ***Fundraising***

- ◆ Grow strategic grants and trusts fundraising for core and developmental programming, talent & participation.
- ◆ Establish a volunteer, community and trustee led approach to events fundraising
- ◆ Increase mid-level giving through the Queen's Angels membership scheme

## **FUTURE DEVELOPMENTS (continued)**

### **Vision and Aims (continued)**

#### ***Programme and Audience Development***

- ◆ Develop and commence the next phase of Essex on Stage, expanding the socio economic diversity of audiences.
- ◆ Develop ethnically diverse work for the main stage, for under represented ethnically diverse audiences, developing the programming offer for existing audiences too.
- ◆ Re-establish and grow QTH's wider distribution, strategically, digitally and commercially, in order to reach new audiences, principally geographically.
- ◆ Regularise, underpin and enhance QTH's talent development offer.
- ◆ Grow opportunities for and representation of D/deaf and disabled artists and creative practitioners, embracing the Inclusive Recovery principles and accompanied by the development of D/deaf and disabled audiences.
- ◆ Reintroduce international partnership delivery with Europe.

#### ***Participation***

- ◆ Focus on understanding the needs of, and reaching and articulating reach to, under represented and under served people, principally demographically.
- ◆ Help repair the damage the pandemic has done to young people's self confidence & well being.
- ◆ Embed and develop further work with older & socially isolated people, including those experiencing dementia, partially building on Public Acts legacy relationships.
- ◆ Build new curriculum led partnership approaches to work with schools.

#### ***Organisation***

- ◆ Focus recruitment and progression on diversifying the workforce (i.e. permanent staff, casuals and freelancers) and developing a culture that retains new recruits, underpinned by the Unlock Anti-Racism Toolkit.
- ◆ Progress visioning, environmentally assessing, fundraising and planning for capital programme.

#### ***Environmental Responsibility***

- ◆ Understand and reduce carbon emissions made through production, benchmarking and evidencing this, and sharing progress through storytelling and discussion in a transparent and creative way.

## **FUTURE DEVELOPMENTS (continued)**

### **Vision and Aims (continued)**

#### ***Environmental Responsibility (continued)***

- ◆ Focus on and celebrate impactful supply chain assessment and changes, looking local wherever possible.
- ◆ Create populist theatre exploring environmental issues that appeals to a wide audience.

### **Impact and Influence**

- ◆ Step up QTH's Outer East London and South Essex sub regional significance
- ◆ Increase the amount of national and industry media coverage for QTH's work
- ◆ The business plan offers detail on how to achieve each aspect for 2022-23.

### **Theatre Tax Credit**

This was the sixth year in which the Trust commissioned its wholly owned trading subsidiary Hornchurch Productions Limited to produce all of the productions led by Queen's Theatre Hornchurch.

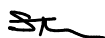
This has made it possible to claim Theatre Tax Credit, effectively reducing production costs across all of the Trust's activities.

## **AUDITORS**

As Moore Kingston Smith (MKS) had been in place for 4 years QTH felt it was good practice to open up to tender. A range of tender responses were received and after a competitive process Buzzacott LLP was appointed. Buzzacott have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be appointed auditors for the ensuing year.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by order of the Board of Trustees on 02/06/2022 and signed on its behalf by:



Chair

Sara Thompson

Date: 02/06/2022

## **Statement of Trustees responsibilities 31 March 2022**

The Trustees (who are also the directors of The Havering Theatre Trust Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charity SORP;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable UK 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 charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 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's are unaware; and
- ◆ 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 auditors are aware of that information.

**Independent auditor's report to the Members of The Havering Theatre Trust Limited**

**Opinion**

We have audited the financial statements of The Havering Theatre Trust Limited (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the group and charitable parent company balance sheets, the consolidated statement of cash flows and notes to the consolidated 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 FRS 102 'The Financial Reporting Standard Applicable in the UK and 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 charitable parent company's affairs as at 31 March 2022 and of the group's 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 financial statements section of our report. We are independent of the group 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 group and charitable parent 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.

### **Other information**

The Trustees are responsible for the 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. 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.

In connection with our audit of the financial statements, 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 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 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' 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 group and the charitable parent 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 by the charitable parent company, or
- ◆ the charitable parent 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 exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.



### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 20, 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 group's and the charitable parent 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 charitable parent 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 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:

Our approach 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
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable parent 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), the Companies Act 2006 and those that relate to data protection (General Data Protection Regulation).

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

We assessed the susceptibility of the charitable company's financial statements 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 and reviewed journal entries to identify unusual transactions;
- ◆ 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; and
- ◆ investigated the rationale behind significant or unusual financial transactions.

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.

A further description of our responsibilities is located 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 for no purpose other than to draw attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and the charitable company's members as a body, for our work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is written in a cursive, flowing style.

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

Date: 15 June 2022

## Consolidated statement of financial activities Year to 31 March 2022

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
<b>Income from:</b>						
Donations	1	78,559	—	—	<b>78,559</b>	59,146
Charitable activities	2	2,636,531	—	446,093	<b>3,082,624</b>	1,806,958
Investment income	3	1,719	—	—	<b>1,719</b>	2,263
Other income	4	430,137	—	—	<b>430,137</b>	472,053
<b>Total</b>		<b>3,146,946</b>	<b>—</b>	<b>446,093</b>	<b>3,593,039</b>	<b>2,340,420</b>
<b>Expenditure on:</b>						
Charitable activities	5	2,715,499	—	498,252	<b>3,213,751</b>	1,794,598
<b>Total</b>		<b>2,715,499</b>	<b>—</b>	<b>498,252</b>	<b>3,213,751</b>	<b>1,794,598</b>
<b>Net income (expenditure)</b>		<b>431,447</b>	<b>—</b>	<b>(52,159)</b>	<b>379,288</b>	<b>545,822</b>
Transfers between funds	16	(149,965)	149,965	—	<b>—</b>	<b>—</b>
<b>Net movement in funds</b>		<b>281,482</b>	<b>149,965</b>	<b>(52,159)</b>	<b>379,288</b>	<b>545,822</b>
Total funds brought forward		241,518	—	1,308,784	<b>1,550,302</b>	1,004,480
<b>Total funds carried forward</b>		<b>523,000</b>	<b>149,965</b>	<b>1,256,625</b>	<b>1,929,590</b>	<b>1,550,302</b>

The consolidated statement of financial activities has been prepared on the basis that all operations are continuing operations.

The notes on pages 35 to 42 form part of these financial statements.

**Charity balance sheet** 31 March 2022

	Notes	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible fixed assets	9		<b>1,217,481</b>		1,117,049
Investment	10		<b>100</b>		100
			<b>1,217,581</b>		1,117,149
<b>Current assets</b>					
Stock	11	<b>13,393</b>		10,337	
Debtors	12	<b>306,025</b>		91,921	
Cash at bank and in hand		<b>1,249,457</b>		854,934	
		<b>1,568,875</b>		957,192	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	13	<b>(856,866)</b>		(524,039)	
<b>Net current assets</b>			<b>712,009</b>		433,153
<b>Net assets</b>			<b>1,929,590</b>		1,550,302
<b>Funds</b>	16				
Unrestricted funds					
♦ General funds			<b>523,000</b>		241,518
♦ Designated funds			<b>149,965</b>		—
Restricted funds			<b>1,256,625</b>		1,308,784
<b>Total funds</b>			<b>1,929,590</b>		1,550,302

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within part 15 of the Companies Act 2006.

The notes on pages 35 to 42 form part of these financial statements.

The accounts were approved by the Board for issue on 02/06/2022 and signed on its behalf by:



Chair

Company Limited by Guarantee  
Registration Number: 00524845 (England and Wales)

## Consolidated balance sheet 31 March 2022

	Notes	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible fixed assets	9		<b>1,217,481</b>		1,117,049
			<b>1,217,481</b>		1,117,049
<b>Current assets</b>					
Stock	11	<b>13,393</b>		10,337	
Debtors	12	<b>306,025</b>		91,921	
Cash at bank and in hand		<b>1,249,457</b>		854,934	
		<b>1,568,875</b>		957,192	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	13	<b>(856,766)</b>		(523,939)	
<b>Net current assets</b>			<b>712,109</b>		433,253
<b>Net assets</b>					
			<b>1,929,590</b>		1,550,302
<b>Funds</b>					
	16				
Unrestricted funds					
♦ General funds			<b>523,000</b>		241,518
♦ Designated funds			<b>149,965</b>		—
Restricted funds			<b>1,256,625</b>		1,308,784
<b>Total funds</b>			<b>1,929,590</b>		1,550,302

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within part 15 of the Companies Act 2006.

The accounts were approved by the Board for issue on 02/06/2022 and signed on its behalf by:



Chair Sara Thompson

Company Limited by Guarantee

Registration Number: 00524845 (England and Wales)

## Consolidated statement of cash flows Year to 31 March 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	A	664,968	753,948
<b>Cash flows from investing activities</b>			
Purchasing of tangible fixed assets		(272,164)	(551,550)
Interest received		1,719	2,263
<b>Net cash used in investing activities</b>		<b>(270,445)</b>	<b>(549,287)</b>
<b>Net increase in cash and cash equivalents</b>		<b>394,523</b>	<b>204,661</b>
Cash and cash equivalents at beginning of year		854,934	650,273
<b>Cash and cash equivalents at end of year</b>		<b>1,249,457</b>	<b>854,934</b>

### A Net income for the year

	2022 £	2021 £
<b>Net income for the year (as per the statement of financial activities)</b>	<b>379,289</b>	<b>545,822</b>
<b>Adjusted for:</b>		
Interest received	(1,719)	(2,263)
Depreciation on tangible fixed assets	171,732	151,279
(Increase) / decrease in stock	(3,057)	3,530
(Increase) / decrease in debtors	(214,104)	301,900
Increase / (decrease) in creditors	332,827	(246,320)
<b>Cash inflow from operations</b>	<b>664,968</b>	<b>753,948</b>

No separate reconciliation of net debt has been prepared, as there is no difference between the cash and net debt of the group.

The Havering Theatre Trust Limited is a private company limited by guarantee domiciled and incorporated in England and Wales. The registered office is Queen's Theatre, Billet Lane, Hornchurch, Essex, RM11 1QT.

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 and Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The Trustees confirm that the Charity meets the definition of a public entity under FRS 102.

### **Consolidation**

The financial statements consolidate the results of the charitable company and its wholly owned trading subsidiary, Hornchurch Productions Limited, on a line-by-line basis.

A separate statement of financial activities (SOFA) is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. The net movement in funds for the parent charity was a surplus of £379,288 (2021: £545,822).

### **Going concern**

In response to the March 2020 public health emergency around Covid-19, QTH was required to temporarily close its doors and postpone current and forthcoming activity. Further details on how QTH intend to manage these unprecedented events and reopen again are included in the principal risks and uncertainties section of the Report of the Trustees with reference to the QTH Covid-19 Roadmap developed by QTH to exit the pandemic.

Having reviewed the charity's financial forecasts and expected future cash flows, the Trustees have a reasonable expectation that the charity and group have adequate resources to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of signature of the audit report of these financial statements, although this is subject to the unprecedented issues around Covid-19. Thus the going concern basis has been adopted in preparing the financial statements for the year ended 31 March 2022.



### **Income**

Income from charitable activities is recognised in the statement of financial activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from donations is recognised on a receivable basis in the appropriate fund.

Income from investments comprises interest received and is recognised on a receivable basis in the appropriate fund.

### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

### **Productions**

For productions occurring wholly within one financial year, box office and venue fees are recognised in that year and costs are recognised as incurred. Typically costs are incurred in advance of income being generated.

Where production set up costs have been incurred prior to the year end but the production has not yet opened, if there is significant uncertainty as to whether the production will be able to run, or where the production is expected to be loss-making, production costs are recognised as incurred.

### **Governance costs**

Governance costs comprise all costs involving the public accountability of the Charity and its compliance and regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

### **Allocation and apportionment of costs**

The allocation of support costs directly represents the cost attributable to the activity of diverse artistic entertainment at the Theatre.

### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

- ◆ Leasehold improvements                      -10% - 33% on cost
- ◆ Fixtures, fittings and equipment           -10% - 33% on cost
- ◆ Computer equipment                         -10% - 33% on cost

Individual fixed assets costing £1,000 or more are capitalised at cost.

The land and buildings were owned by the London Borough of Havering. An annual rent of £25,000 is payable to the London Borough of Havering for the duration of the 12 year lease.

### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Stock includes theatre props, stage scenery and costumes that are written off as part of the cost of performances. Where costs are incurred in advance of the staging of a production or exhibition they are carried forward as stock. The basis of valuation is consistent with previous years.

### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Designated funds are unrestricted funds set aside by the Trustees for specific purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

### **Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the statement of financial activities in the period to which they relate.

### **Financial assets and liabilities**

The charitable company only has basic financial instruments.

### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

### **Debtors**

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

### **Creditors**

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.

### **Operating lease commitments**

Rentals payable under operating leases are charged against expenditure as incurred over the lease term.

### **Critical accounting estimates and judgements**

In the application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revisions affect only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Key sources of estimation and uncertainty**

◆ *Useful economic lives of tangible fixed assets*

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect the current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the tangible fixed assets and the tangible fixed asset policy for the useful economic lives for each class of asset.

◆ *Allocation of support costs*

◆ *Assessing the appropriateness of recognising expenditure on future productions*

## 1 Donations and legacies

	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Donations	78,559	—	78,559	59,146

All donations in 2021 were unrestricted.

## 2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2022 Total £	2021 Total £
Grants	903,919	446,093	1,350,012	1,673,932
Box office	1,299,992	—	1,299,992	36,890
Bar sales	104,207	—	104,207	2,806
Café bar sales	78,187	—	78,187	5,918
Confectionary sales	32,701	—	32,701	353
Foyer events	—	—	—	4,617
Theatre lettings	18,681	—	18,681	7,907
Outreach	51,991	—	51,991	30,465
Production income	82,100	—	82,100	—
Commissioned services	18,200	—	18,200	15,450
Salary recharge	28,620	—	28,620	28,620
Q Next income	17,933	—	17,933	—
	<b>2,636,531</b>	<b>446,093</b>	<b>3,082,624</b>	<b>1,806,958</b>

The 2021 comparatives include restricted grant income of £854,212. All other income in 2021 was unrestricted.

Grants received, included in the above, are as follows:

	2022 £	2021 £
London Borough of Havering	452,550	601,167
Arts Council England	819,129	868,287
Clarion Futures	5,333	8,333
Veolia	—	50,000
City Bridge Trust	—	100,000
London Community Response Fund	—	15,145
Romford BID	11,000	11,000
Paul Hamlyn Foundation	20,000	20,000
The Mercury Mall	2,000	—
Circular Economy	30,000	—
GLA	10,000	—
	<b>1,350,012</b>	<b>1,673,932</b>

## 2 Income from charitable activities (continued)

Grant income from London Borough of Havering is broken down into unrestricted funds of £180,790 Core Grant, £24,000 Covid-19 Business Grant and £100,000 Covid-19 Recovery Grant. Restricted funds, £42,000 Maintenance £20,875 Education Grant and £84,885 Contribution to Havering Changing.

In 2021, grant income from London Borough of Havering is broken down into unrestricted funds of £180,790 Core Grant and £25,899 Covid-19 Business Grant. Restricted funds, £266,651 contribution to QNew, £31,352 Conditions Survey works, £42,000 Maintenance £20,875 Education Grant and £33,600 Contribution to Havering Changing.

Grant income from Arts Council England is broken down into unrestricted funds of £282,129 Core Grant and £297,000 Cultural Recovery Fund. Restricted funds, £240,000 Havering Changing.

In 2021, grant income from Arts Council England is broken down into unrestricted funds of £282,129 Core Grant, £65,902 Emergency Response Fund and £245,000 Cultural Recovery Fund. Restricted funds, £240,000 Havering Changing and £35,256 final contribution to Q New.

## 3 Investment income

	2022 £	2021 £
Deposit account interest	1,719	2,263

## 4 Other income

	2022 £	2021 £
Furlough grants	82,096	407,377
TTR claims	146,672	21,142
Insurance claim income	117,587	37,417
Other miscellaneous income	34,008	6,117
VAT refund	49,774	—
	<b>430,137</b>	<b>472,053</b>

## 5 Expenditure on charitable activities

	Direct costs £	Support costs (see note 6) £	Total 2022 £	Direct costs £	Support costs (see note 7) £	2021 Total £
Theatre operations	2,645,454	550,868	3,196,322	1,354,525	427,926	1,782,451
Governance costs	—	17,429	17,429	—	12,147	12,147
	<b>2,645,454</b>	<b>568,297</b>	<b>3,213,751</b>	<b>1,354,525</b>	<b>440,073</b>	<b>1,794,598</b>

## 6 Support costs

	Finance £	Other £	Total 2022 £	Finance £	Other £	2021 Total £
Theatre operations	1,929	548,939	<b>550,868</b>	5,319	422,607	427,926
Auditor's remuneration	—	17,429	<b>17,429</b>	—	12,147	12,147
	<b>1,929</b>	<b>566,368</b>	<b>568,297</b>	<b>5,319</b>	<b>434,754</b>	<b>440,073</b>

## 7 Trustees' remuneration and benefits

There was no Trustees' remuneration or other benefits for the year ended 31 March 2022 not for the period ended 31 March 2021.

One Trustee was reimbursed expenses for the year ended 31 March 2022 of £33 (2021: £nil).

## 8 Staff costs

	2022 £	2021 £
Wages and salaries	<b>1,181,684</b>	939,265
Social security costs	<b>23,759</b>	59,503
Pension cost	<b>67,120</b>	15,579
	<b>1,272,563</b>	<b>1,014,347</b>

The average monthly number of employees during the year was as follows:

	2022 £	2021 £
Employees	<b>65</b>	50

No employees (2021: none) received emoluments between £60,000 - £70,000.

Remuneration of the Charity's key management personnel in the year, which includes the membership of the full senior management team (SMT), was £407,633 (2021: £382,770). The increased cost in SMT was due to 2% pay increase in 2021/22 and also because some SMT were partially furloughed during 2020/21.

## 9 Tangible fixed assets

Group and Charity	Leasehold improvement £	Computer equipment £	Total £
<b>Cost</b>			
At 1 April 2021	1,327,169	78,298	<b>1,405,467</b>
Additions	254,530	17,634	<b>272,164</b>
Disposals	(315)	—	<b>(315)</b>
At 31 March 2022	<u>1,581,384</u>	<u>95,932</u>	<u><b>1,677,316</b></u>
<b>Depreciation</b>			
At 1 April 2021	242,604	45,814	<b>288,418</b>
Charge for the year	155,884	15,848	<b>171,732</b>
Disposals	(315)	—	<b>(315)</b>
At 31 March 2022	<u>398,173</u>	<u>61,662</u>	<u><b>459,835</b></u>
<b>Net book value</b>			
At 31 March 2022	<u>1,183,211</u>	<u>34,270</u>	<u><b>1,217,481</b></u>
At 31 March 2021	<u>1,084,565</u>	<u>32,484</u>	<u><b>1,117,049</b></u>

## 10 Investments

	2022 £	2021 £
Charity		
Investment in Hornchurch Productions Limited	<b>100</b>	100

The trading activities of the charity are carried out through its wholly owned subsidiary company, Hornchurch Productions Limited (company number 09425608). The capital and reserves of the company at the year end was £100.

## 11 Stocks

	2022 £	2021 £
Group and Charity		
Stocks	<b>13,394</b>	10,337

## 12 Debtors: amounts falling due within one year

	Charity		Group	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	<b>11,875</b>	5,844	<b>11,875</b>	5,844
Amounts due from Hornchurch Productions Limited	<b>146,672</b>	23,399	—	—
Prepayments and accrued income	<b>141,925</b>	62,400	<b>288,597</b>	62,400
Other debtors	<b>5,553</b>	278	<b>5,553</b>	23,677
	<u><b>306,025</b></u>	<u>91,921</u>	<u><b>306,025</b></u>	<u>91,921</u>



### 13 Creditors: amounts falling due within one year

	Charity		Group	
	2022 £	2021 £	2022 £	2021 £
Trade creditors	264,193	44,184	264,193	44,184
Accruals and deferred income	546,710	428,056	546,710	428,056
VAT control	4,907	—	4,907	—
Tax and social security	—	11,373	—	11,373
Other creditors	41,056	40,426	40,956	40,326
	<b>856,866</b>	<b>524,039</b>	<b>856,766</b>	<b>523,939</b>

### 14 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease agreements under non-cancellable operating leases, which fall due as follows:

Group and Charity	2022 £	2021 £
Due within 1 year	34,517	35,393
Due between 2 and 5 years	122,579	117,540
Due in over 5 years	91,667	116,667
	<b>248,763</b>	<b>269,600</b>

### 15 Movement in funds

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
<b>Unrestricted funds</b>					
General fund	241,518	3,146,946	(2,715,499)	(149,965)	<b>523,000</b>
Designated fund – Q Transform	—	—	—	82,253	<b>82,253</b>
Designated fund – Q Next	—	—	—	67,712	<b>67,712</b>
<b>Total unrestricted funds</b>	<b>241,518</b>	<b>3,146,946</b>	<b>(2,715,499)</b>	<b>—</b>	<b>672,965</b>
<b>Restricted funds</b>					
Maintenance grant	—	42,000	(42,000)	—	<b>—</b>
Education grant	—	20,875	(20,875)	—	<b>—</b>
Essex on stage	53,669	—	—	—	<b>53,669</b>
Havering changing Q New	172,921	383,218	(305,355)	—	<b>250,784</b>
Fixed assets	1,082,194	—	(130,022)	—	<b>952,172</b>
<b>Total restricted funds</b>	<b>1,308,784</b>	<b>446,093</b>	<b>(498,252)</b>	<b>—</b>	<b>1,256,625</b>
<b>Total funds</b>	<b>1,550,302</b>	<b>3,593,039</b>	<b>(3,213,751)</b>	<b>—</b>	<b>1,929,590</b>

**15 Movement in funds (continued)**

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
<b>Unrestricted funds</b>					
General fund	200,227	1,448,791	(1,333,976)	(73,524)	241,518
<b>Total unrestricted funds</b>	<u>200,227</u>	<u>1,448,791</u>	<u>(1,333,976)</u>	<u>(73,524)</u>	<u>241,518</u>
<b>Restricted funds</b>					
Maintenance grant	—	42,000	(42,000)	—	—
Education grant	—	20,875	(20,875)	—	—
London Community Response Fund	—	15,145	(15,145)	—	—
Conditions Survey Work	—	31,352	(31,352)	—	—
Essex on stage	89,914	—	(36,245)	—	53,669
Havering changing	60,523	292,933	(180,535)	—	172,921
Q New	(6,846)	489,324	(4,452)	(478,026)	—
Fixed assets	660,662	—	(130,018)	551,550	1,082,194
<b>Total restricted funds</b>	<u>804,253</u>	<u>891,629</u>	<u>(460,622)</u>	<u>7,524</u>	<u>1,308,784</u>
<b>Total funds</b>	<u>1,004,480</u>	<u>2,340,420</u>	<u>(1,794,598)</u>	<u>—</u>	<u>1,550,302</u>

**Designated funds**

**Q Next** is a fund to meet the costs of environmental responsibility related projects, reducing carbon emissions and energy costs, in future years. During the year £67,712 was transferred from the general fund to this designated fund.

**Q Transform** is a fund to support the cost of one off organisational capacity or development projects. During the year £82,253 was transferred from the general fund to this designated fund.

**Restricted funds**

**Maintenance Grant** is received from LBH to maintain the building and facilities.

**Education Grant** is received from LBH towards our Learning & Participation programme of work.

**Essex on Stage** is a two year project supported by the Clothworkers Foundation championing positive notions of Essex celebrating theatre made by working class people and raising aspirations from emerging artists from Essex and Outer East London.

**Havering Changing** is a Creative People and Places (CPP) project trailing radical new ideas to engage local people in arts and culture in the communities of Harold Hill, Romford and Orchard Village (all in the London Borough of Havering).

**Q New** is a £1m small scale capital project to develop and update the existing building and facilities.

**15 Movement in funds (continued)**

**London Community Response Fund** was to provide a support for socially isolated and vulnerable people in Havering by way of digital activity including weekly Musical Theatre Sing-a-longs, Seated Dance sessions and Tiny Plays. The balance of the fund was spent during the year ended 31 March 2021.

**Conditions Survey Works** was for additional £31k building work as identified in new conditions survey post Q New with cost recovered from LBH. The balance of the fund was spent during the year ended 31 March 2021.

**16 Analysis of net assets between funds**

Group	Restricted funds £	Designated funds £	Unrestricted General funds £	Total £
<b>Fund balances at 31 March 2022 are represented by:</b>				
Tangible fixed assets	952,172	—	265,309	<b>1,217,481</b>
Stock	—	—	13,393	<b>13,393</b>
Debtors	—	—	306,025	<b>306,025</b>
Cash at bank	304,453	149,965	795,039	<b>1,249,457</b>
Creditors due in one year	—	—	(856,766)	<b>(856,766)</b>
	<u>1,256,625</u>	<u>149,965</u>	<u>523,000</u>	<u><b>1,929,590</b></u>

Charity	Restricted funds £	Designated funds £	Unrestricted General funds £	Total £
<b>Fund balances at 31 March 2022 are represented by:</b>				
Tangible fixed assets	952,172	—	265,309	<b>1,217,481</b>
Investments	—	—	100	<b>100</b>
Stock	—	—	13,393	<b>13,393</b>
Debtors	—	—	306,025	<b>306,025</b>
Cash at bank	304,453	149,965	795,039	<b>1,249,457</b>
Creditors due in one year	—	—	(856,866)	<b>(856,866)</b>
	<u>1,256,625</u>	<u>149,965</u>	<u>523,000</u>	<u><b>1,929,590</b></u>

## 17 Related party disclosures

The land and buildings were owned by the London Borough of Havering. Grants of £481,170 (2021: £601,167) were received from the London Borough of Havering during the year, and rent of £25,000 (2021: £25,000) was paid to the London Borough of Havering during the year. At the year end funds of £700,444 (2021: £300,444) were held by the London Borough of Havering in pooled funds on behalf of the trust. Certain Trustees, as recorded in the Report of Trustees' are councillors of the London Borough of Havering.

During the year Havering Theatre Trust Ltd received income of £806,041 (2021: £134,800) from Hornchurch Productions Limited and incurred costs of £952,713 (2021: £155,942). The balance outstanding at the year end of £146,672 (2021: £23,399) is disclosed within the amounts owed from group companies within Debtors on the balance sheet.

The aggregate donations received from trustees during the year was £2,100 (2021: £1,688).

## 18 Legal status of the trust

The trust 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.

## 19 Comparative information

Analysis of income and expenditure in the year ended 31 March 2021 between restricted and unrestricted funds:

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	2021 Total funds £
<b>Income from:</b>					
Donations	1	59,146	—	—	59,146
Charitable activities	2	952,746	—	854,212	1,806,958
Investment income	3	2,263	—	—	2,263
Other income	4	434,636	—	37,417	472,053
<b>Total</b>		<b>1,448,791</b>	<b>—</b>	<b>891,629</b>	<b>2,340,420</b>
<b>Expenditure on:</b>					
Charitable activities	5	1,333,976	—	460,622	1,794,598
<b>Total</b>		<b>1,333,976</b>	<b>—</b>	<b>460,622</b>	<b>1,794,598</b>
<b>Net income</b>		<b>114,85</b>	<b>—</b>	<b>431,007</b>	<b>545,822</b>
Transfers between funds		(73,524)	—	73,524	—
<b>Net movement in funds</b>		<b>41,291</b>	<b>—</b>	<b>504,531</b>	<b>545,822</b>
Total funds brought forward		200,227	—	804,253	1,004,480
<b>Total funds carried forward</b>		<b>241,518</b>	<b>—</b>	<b>1,308,784</b>	<b>1,550,302</b>