

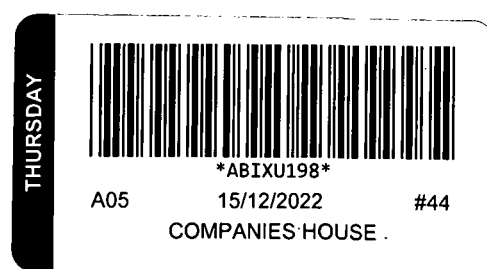
THE PALACE THEATRE WATFORD LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2022

Company Registration No. 3218719 (England and Wales)



	Page
Directors and Advisers	2
Report of the Directors	3 - 10
Report of the Independent Auditors	11 - 13
Statement of Financial Activities	14
Balance Sheet	15
Statement of Cash Flows	16
Notes to the Financial Statements	17 - 27

Directors

Chair	Deborah Lincoln (resigned 26 January 2022)
Chair	John Hunt (from 26 January 2022)
	Kenny Dada
	Agnieszka Dychton * (appointed 26 January 2022)
	Anne Fenton
Governance Committee	Howard Groves (appointed 10 May 2022)
Governance Committee	Mark Lawrence
Governance Committee	Carol Lingwood
Governance Committee	Bibi Mauthoor (appointed 14 March 2022)
	Binita Mehta-Parmar
Governance Committee	Georgina Rae
	Brett Spencer
	Patrick Stoddart
	Jayne Trotman
	Timothy Williams *

* Directors nominated by Watford Borough Council.

Secretary

Jamie Arden

Registered Office

20 Clarendon Road
Watford
Herts WD17 1JZ

Bankers

National Westminster Bank plc
72-74 High Street
Watford
Herts WD17 2BQ

Auditors

PKF Littlejohn LLP
15 Westferry Circus
Canary Wharf
London E14 4HD

Charity Registration number

1056950

Company Registration number

3218719

The Directors of the Charitable Company present herewith their Annual Report, together with the audited Financial Statements for the year ended 31 March 2022. This report is intended to fulfil the requirements both of Section 234 of the Companies Act 2006 and of the Charities Act 2011. The Directors have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

Reference and Administrative Details

The Palace Theatre Watford Limited is a charitable company limited by guarantee and governed by a Memorandum and Articles of Association dated 17 May 1996.

Public Benefit

The Trustees confirm that they have had regard to the guidance on public benefit issued by the Charity Commission when considering the objectives and activities of the Charitable Company.

Board of Directors

The Directors and Trustees from 1 April 2021 to the date of the signing of the Financial Statements were as shown on page 2. The Directors shall have power at any time to appoint any person to be a Director, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with the Articles. Any Director so appointed shall hold office only until the following Annual General Meeting, and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting. Two Directors are nominated by Watford Borough Council. (There are specific requirements associated with the rotation of Directors, the terms of which are stated in the Memorandum and Articles of Association).

Trustees receive ongoing training, including attendance at an annual away day.

The Directors and Trustees delegate the day to day running of the organisation to:

- Brigid Larmour – Artistic Director and Chief Executive
- Jamie Arden – Executive Director and Company Secretary
- Andrew Phillips – Director of Finance

Powers of the Company

The Directors take this opportunity to confirm that under Clause 3 of the Charitable Company's Memorandum of Association, it is empowered to carry out the activities reviewed in the Annual Report including, but not limited to, the beneficial investment of the Charitable Company's funds.

Strategic Objectives

From April 2018 Watford Palace Theatre (WPT) entered into our new 4 year Business Plan 2018-2022.

WATFORD PALACE THEATRE MISSION AND VISION STATEMENT 2018-2022

WPT Mission

Great stories that entertain, provoke and inspire, on our stage and in our streets.

WPT Vision

Everyone's welcome at the Palace. We aim to inspire and entertain through high-quality, inventive and ambitious drama, new plays, musicals, dance and family shows; free outdoor festivals; diverse stand-up; and a much-loved traditional pantomime.

See yourself on our stage. We want our shows to look like our audience: reflecting our diverse community, and fully representing women. We encourage and celebrate creativity in our town, giving a platform to our communities and our young people.

See it here first. We are proud that our locally produced shows and home grown talent have toured nationally and internationally, been seen on BBC iPlayer, won awards and transferred to the West End.

WATFORD PALACE THEATRE - INSPIRATION ON YOUR DOORSTEP

Strategic Objectives

For the four years 2018-2022, the charities strategic objectives are as follows:

STRATEGIC OBJECTIVE ONE - STRIVE FOR EXCELLENCE

To increase the quality, diversity and impact of the work produced at WPT.

STRATEGIC OBJECTIVE TWO - THINK LOCAL AND BE DIVERSE

Develop work for a local audience and further diversify the audience and participant demographic.

STRATEGIC OBJECTIVE THREE - BE FINANCIALLY RESOURCEFUL, RESILIENT, SUSTAINABLE AND ENTREPRENEURIAL

Significantly increase and diversify contributed and earned income to provide organisational resilience.

STRATEGIC OBJECTIVE FOUR - PARTICIPATE – BE COLLABORATIVE & CREATIVE IN PROMOTION & AUDIENCE DEVELOPMENT

Develop a stronger relationship with the community to promote and provide opportunities to participate with the work made at the venue.

OUR ACHIEVEMENTS AGAINST OUR OBJECTIVES

The Covid 19 pandemic and its ongoing impact on the theatre sector continued to be a large feature of our year, and our recovery from the impact of closure due to the pandemic for large parts of 2020/21. It was not until July 2021 that we began the process of recovery again and being able to programme shows and reopen our doors to the public once more.

As theatres across all four nations of the UK were permitted to reopen and theatres faced ongoing challenges in relation to returning audiences, viability of touring, show cancellations due to illness, especially over the winter of 21/22.

Reopening

We started the reopening plans from July 2021, with two outdoor festivals: Imagine Watford and Stage in the Park - due to the ability to deliver these projects ambitiously and at scale, but with the added mitigation of reducing the covid risks for staff, artists, and audiences, by taking this work outdoors.

Imagine Watford - Reimagining our annual outdoor festival for 2021

This year to ensure the festival went ahead and provide much needed joy to our town and community after an incredibly difficult year, we had to "Reimagine" our annual Imagine Watford outdoor festival. Our priority was keeping our community safe whilst providing all the joy, levity, and magic that Imagine Watford has become synonymous with.

To ensure that we are providing free access to great arts across the town in a covid safe manner the festival took place across various greenfield sites across Watford – as opposed to one large convening of people in the town centre.

The activity will took place in two strands.

- Pop up mini festivals – on three green sites across the town
- Playful installations – in the town centre

These smaller community focused interactions of around one thousand households per location showed us a new possibility and future for the festival. But we missed the connection that the festival has enjoyed with the town centre, its businesses, residents, and visitors, making Watford town centre a destination and creating significant economic impact for the last ten years. As part of our new vision for the festival – that we submitted to Arts Council as part of our LET'S CREATE delivery plan from April 2023-March 2026, there is appetite for *Imagine* becoming a hybrid of its previous model and the reimaged version we created for 2021.

Stage in the Park

As a key part of Watford's cultural event calendar, Stage in the Park was a brand new festival delivered as a partnership between Harlequin Theatricals, Watford Palace Theatre and Watford Borough Council in Cassiobury Park during the summer 2021.

The festival was exceptionally ambitious, providing a full programme of entertainment for all generations for the people of Watford and beyond.

Stand Up Comedy shows, Children's shows, Musicals, headline Music Acts, magicians brought a variety of entertainment that had something for everyone.

The festival ran from 23 July to 8 August and was delivered under Covid-19 Stage Three restrictions, so audiences were bubbled in our event site. These restrictions changed during the run of the festival, to allow more liberty and flow on the site.

The site consisted of fully operational backstage and front of house areas, in essence creating a fully functioning venue from scratch in this new park location. There was a large main stage (with all the sound and lighting capabilities) and a fully stocked bar / hospitality marquee on the site – with food and drinks available throughout the festival.

The challenge was delivering the festival in such a short period of planning time– and specifically in terms of the infrastructure operations required, at a period where these festivals were opening across the UK as part of the covid recovery. This made obtaining infrastructure such as festival toilets, fencing, and staging exceptionally difficult due to a competitive market and at a cost premium. Therefore, the budget of the festival had to increase dramatically. The festival was also impacted from some exceptionally severe weather conditions during the whole run with torrential rain, lightning, and extreme winds (unusual for July / August) – making the site difficult from an audience appeal perspective being exposed and open to the elements.

However, to achieve the festival in such a short period was a successful learning process for Watford Palace Theatre and our partners, that helped to shape our future strategic thinking and complexities on the delivery of these types of outdoor festivals within a park environment during the summer months.

Autumn season 2021 – Reopening Season back inside the Palace Theatre

From September 2021 we then began the process of bringing our work back inside and reopening our Theatre and welcoming audiences back.

This process started with *Love N Stuff*, a touring show from Oldham Coliseum, followed by our varied programme of children's shows, stand-up comedy (Ian Stirling / Russell Kane / Louise Omelian) and dance with Ballet Black returning. We also gave space to the Freelancers we had nurtured and supported during the pandemic with our Freelancer season and support of the *Watford Fringe*. A particular highlight of the season was *Dracula* a highly striking visual show from company Imitating the Dog – that was staged live, and we also made available as a video on demand service for audiences not able to come to the live performances. The reopening season concluded with our ability to stage our annual pantomime once again in the Theatre, with *Dick Whittington and His Cat*. A Panto that was originally earmarked for 2020 pantomime prior to the impact and Theatre's closure from Covid-19 pandemic. We were delighted to have delivered a full run of panto shows, without a need to cancel any due to Covid (unlike most of our peers in the industry). This is testament to the hard work of our team and our robust covid secure measures we put in place in the venue.

Spring Season 2022 – our road to recovery

Our Spring 2022 season then started with *Life Sukhs!* Stand-up comedy by Sukh Ojla, also a new strand of programming was introduced and developed with music becoming a prevalent strand of our work in future. This began with tribute act *The Bob Dylan Story* being the first this season and other music gigs, Jazz festivals, bands and / or music projects gracing our stage.

Other Take Part Youth and Community programmes included the hosting of the Hertfordshire Young Persons Film Festival, developing exciting local film projects and young talented filmmakers, with our partners Warner Bros Studios Leavesden, Cathartic and Hertfordshire University. Our new Storytelling and Storyplay stands were also developed, helping to develop confidence and literacy skills within young age groups – some young people with English as a second language. We also launched our Peoples Palace Company, our older generation ensemble, alongside establishing further our Palace Young Company as an extension of our Palace Youth Theatre. Projects that were piloted and developed using funds from the Garfield Weston Culture Fund we received in 2020.

SHOWS AND PROJECTS DELIVERED AGAINST STRATEGIC OBJECTIVES APRIL 2021 – MARCH 2022**STRATEGIC OBJECTIVE 1: STRIVE FOR EXCELLENCE**

To increase the quality, diversity and impact of the work produced at WPT

HIGH QUALITY PERFORMANCES AND ENTERTAINMENT ON OUR STAGES:

- Dick Whittington and His Cat - Pantomime 2021
- Love 'N Stuff
- The Very Hungry Caterpillar
- Dracula: The Untold Story
- Underwater
- Fireman Sam Saves The Circus – Live!
- Russell Kane and Friends
- Luisa Omelian: God Is A Woman
- Ballet Black – Double Bill
- Iain Stirling: Failing Upwards
- Sukh Ojla: Life Sukhs
- The Bob Dylan Story
- Ed Gamble: Electric
- Bumper Blyton – The Improvised Adventure
- ELO Again

STRATEGIC OBJECTIVE 2: THINK LOCAL AND BE DIVERSE

Develop work for a local audience and further diversify the audience and participant demographic.

LOCAL SHOWS FOR DIVERSE AND INTREGENERATIONAL COMMUNITIES:

- Celebrate Vaisakhi 2021
- Eternal Taal
- Good Will Bunting
- Palace Scratch Night - September 2021
- Black History Month 2021 - I Am Not Your Negro
- Diwali 2021: Pagra Dance - Kattam Kati
- Palace Young Company Summer Project – Buffering
- Hertfordshire Film Festival 2022
- Community Storyplay and Storymakers
- R & D / Pilots
- WBC Cultural Businesses Grant - First Phase delivered to invest in local creatives, artists and SMEs – Scheme facilitated by Watford Palace Theatre on behalf of Watford Borough Council.

STRATEGIC OBJECTIVE 3: BE FINANCIALLY RESOURCEFUL, RESILIENT, SUSTAINABLE AND ENTREPRENEURIAL

Significantly increase and diversify contributed and earned income to provide organisational resilience.

HIRING THE THEATRE TO GENERATE MORE EARNED INCOME:

- Watford Business Improvement District Classic Film Matinee - On The Town

RESILIENCE PROJECTS DEVELOPED:

- New Comms System installed to improve Front of House / Back of House communications
- Bar Reconfiguration in 2021 to make the Front of House spaces more covid resilient
- Our New Scenic Workshop and Storage Unit in Bletchley – opened in June 2021
- Commissioned new Masterplan vision for the future of Watford Palace Theatre building – with our architectural partners Foster & Wilson

WORKSHOP BUILDS FOR THIRD PARTIES:

- Creation Musical Services – DJ Position Build
- Wind in the Willows - Immersion Theatre Build
- Aldenham School Set Build

STRATEGIC OBJECTIVE 4: PARTICIPATE – BE COLLABORATIVE & CREATIVE IN PROMOTION & AUDIENCE DEVELOPMENT

Develop a stronger relationship with the community to promote and provide opportunities to participate with the work made at the venue.

DYNAMIC AUDIENCE ENGAGEMENT BEYOND THE MAIN STAGE:

- Imagine Watford 2021
- Stage in the Park Watford
- The Secret Garden
- New Audience Development Research commissioned, and a new Audience Strategy developed

The activities described above demonstrate that public benefit is being provided by the Charity.

Financial Review

The Statement of Financial Activities shows a deficit of £462,741 (2021 - surplus of £544,151) for the financial year. This comprises a deficit before transfers on unrestricted funds of £201,423 (2021 - surplus of £207,957) and a deficit on restricted funds of £261,318 (2021 - surplus of £336,194). The Directors note that this surplus is declared after recognising depreciation charges of £272,525 (being £47,905 applied to unrestricted funds, and £224,620 applied to restricted funds).

As at the year ended 31 March 2021, new and exceptional income sources had been recognised, resulting from successful applications for Covid-19 related and other support, being Restricted Grants from Arts Council England's Cultural Recovery Fund of £248,481; and The Garfield Weston Foundation of £315,000. Much of the related expenditure has now actually taken place in the period from 1 April 2021 due to the extended periods of lockdown causing further delay to the Theatre's re-opening.

Income also includes HMRC's Coronavirus Job Retention Scheme monies of £61,307 which has been recognised in the same period as the wage expenditure for furloughed staff that it supported.

Financial Position in the Context of Ongoing Commitments and Obligations

The Balance Sheet shows net assets of £5,646,930 at 31 March 2022 (2021 - £6,099,671). As at the same date, Revenue subsidy amounting to £231,957 and £805,118 for the following 12-month period has been confirmed by Watford Borough Council and Arts Council England respectively. An agreed budget for the year to 31 March 2023 has been approved by the Board of Directors.

Subsidiary Undertakings

The Charitable Company's wholly owned subsidiaries, The Palace Theatre Watford Bar Limited and The Palace Theatre Watford Productions Limited, remained dormant throughout the year.

Investment Policy

The Charitable Company holds surplus cash on a deposit account to receive a rate of interest commensurate with an appropriate level of security, whilst not restricting access for operational purposes or payment of box office to touring companies and hires. Where sufficient surplus cash remains available after due consideration for longer term liabilities, the Charitable Company utilises other relatively low risk financial products (such as Fixed Rate Bonds) to maximise income.

Parent Charitable Company's Reserves Policy

The Trustees have reviewed the Charitable Company's needs for reserves in line with the guidance issued by the Charity Commission and have agreed the following reserves policy: the target level of unrestricted reserves is based on 10% of typical box office income and six weeks running costs. At the last calculation, the target is to hold free reserves of £250,000. The unrestricted general reserve (see page 13) stood at £250,296 on 31 March 2022 (2021 - £250,797). This policy is reviewed annually by the Trustees.

Risk Assessment

The Trustees have examined and prioritised the most critical risks to the Charitable Company and, as a result, are confident that they have in place sufficient accountability and focussed action to protect the objectives of the Charitable Company. A risk register has been produced and is reviewed by the Leadership Team and updated by the Executive Director every two months for consideration by the Board. The major risk identified concerns the funding of the Charitable Company. Arts Council England and Watford Borough Council have the right under Service Level Agreements to withdraw funding and/or request repayment of funds should those funds be applied to purposes other than the stated charitable objectives. The Charitable Company has put in place a range of mitigatory measures. The Board operates a separate governance committee, with its own Chair, to maintain a transparent and objective overview.

The Covid pandemic and its move towards a more endemic, every presented seasonal disease still represented the biggest risk to the Charitable Company's survival in recent years. Recovery from the lockdown closures and the end of the specific financial support measures (CJRS and Cultural Recovery Fund monies), as well as audience confidence coming back into Theatres and buying tickets given the difficulties faced with the UK economy, made this period exceptionally challenging. However, our robust financial measures implemented during lockdown period, couple with our prudent financial management, reserves policy, and continued lean operations, meant the Charitable Company was in a solid base for surviving these challenging economic factors.

Plans for future periods

As we emerge from the Coronavirus pandemic and slowly return to our ability to reopen and serve the people of Watford and beyond, our future plans include:

- Securing our future funding via Arts Council new NPO framework and Watford Borough Council continues support
- Creating a new Artistic Vision, Mission, and Core Purpose for the Palace Theatre to ensure that the building and cultural infrastructure is fit for purpose in the medium to longer term
- Delivering our Artistic programme Indoors/Outdoors/Online/On the road.

Statement of Trustees' Responsibilities

The Trustees (who are also Directors of The Palace Theatre Watford for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and Charity law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have elected to prepare the Financial Statements in accordance with the Charities' Statement of Recommended Practice, Accounting and Reporting by Charities issued in March 2015 and United Kingdom Financial Reporting and Accounting Standards. Under Company and Charity law the Trustees must not approve the Financial Statements unless they are satisfied that they 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 (and the 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 of the Charities' SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping proper 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 the Group) and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the Company's Directors, we confirm that:

- so far as we are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- as the Directors of the Company, we have taken all steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

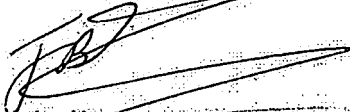
THE PALACE THEATRE WATFORD LIMITED

REPORT OF THE DIRECTORS

Auditors

PKF Littlejohn LLP are appointed as auditors to the Charitable Company and have indicated their willingness to continue in office.

This report was approved by order of the Board of Directors and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'John Hunt', is written over a horizontal line.

John Hunt
Chair

30 November 2022

Independent Auditors' Report to the Members of The Palace Theatre Watford Limited**Opinion**

We have audited the financial statements of The Palace Theatre Watford Limited (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report of the Trustees, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Annual Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Annual Report of the Trustees (which includes the Directors' report) prepared 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 Annual Report of the Trustees (which includes the Directors' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report of the Trustees.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the charitable company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research and application of cumulative audit knowledge and experience.

- We determined the principal laws and regulations relevant to the charitable company in this regard to be those arising from the Companies Act 2006, Charities Act 2011, Charities (Accounts and Reports) Regulations 2008, Financial Reporting Standard 102 and the Charities SORP.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the charity with those laws and regulations. These procedures included, but were not limited to enquiries of Trustees, review of minutes and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was a potential for management bias in the recognition of revenue. We addressed this through reviewing revenue in the year for evidence of entitlement and at the year end to ensure accounted for in the correct period.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Duke (Senior Statutory Auditor)

For and on behalf of PKF Littlejohn LLP

Statutory Auditor

15 Westferry Circus

Canary Wharf

London E14 4HD

Date:

12 December 2022

THE PALACE THEATRE WATFORD LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2022

	Note	2022 Unrestricted funds £	2022 Restricted funds £	2022 Total funds £	2021 Total funds £
Incoming Resources					
Grants receivable and fees	4	1,143,075	-	1,143,075	1,607,000
Donations and gifts		23,094	7,741	30,835	24,547
Bank interest		121	-	121	1,069
Ancillary trading activities		52,451	-	52,451	367
Coronavirus Job Retention Scheme		61,307	-	61,307	388,852
		<u>1,280,048</u>	<u>7,741</u>	<u>1,287,789</u>	<u>2,021,835</u>
Charitable Activities					
Production	4	550,454	-	550,454	15,324
Participation	4	27,751	-	27,751	11,857
Other	4	69,609	-	69,609	9,639
		<u>647,814</u>	<u>-</u>	<u>647,814</u>	<u>36,820</u>
Total Income		<u>1,927,862</u>	<u>7,741</u>	<u>1,935,603</u>	<u>2,058,655</u>
Expenditure on:					
Raising funds		395	284	679	1,793
Charitable Activities					
Production	6	1,826,773	231,147	2,057,920	1,300,398
Participation	6	302,117	37,628	339,745	212,313
Total Expenditure		<u>2,129,285</u>	<u>269,059</u>	<u>2,398,344</u>	<u>1,514,504</u>
Net Income/(Expenditure)	3	(201,423)	(261,318)	(462,741)	544,151
Transfers between funds	13	159,077	(159,077)	-	-
Total funds brought forward		<u>799,200</u>	<u>5,300,471</u>	<u>6,099,671</u>	<u>5,555,520</u>
Total funds carried forward		<u>756,854</u>	<u>4,880,076</u>	<u>5,636,930</u>	<u>6,099,671</u>

All income and expenditure derives from continuing activities.

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

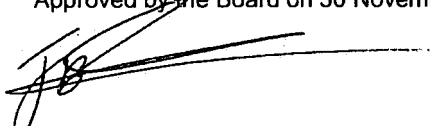
The Accounting Policies and Notes on pages 17 to 27 form part of these Financial Statements.

THE PALACE THEATRE WATFORD LIMITED
(Company Registration number 3218719)

BALANCE SHEET
YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Fixed Assets			
Tangible assets	7	4,543,682	4,709,639
Investments	8	200	200
		<hr/>	<hr/>
		4,543,882	4,709,839
		<hr/>	<hr/>
Current Assets			
Stock	9	7,111	2,564
Debtors	10	241,800	217,714
Cash at bank and in hand		1,176,196	1,313,010
		<hr/>	<hr/>
		1,425,107	1,533,288
Creditors: amounts falling due within one year	11	(332,059)	(143,456)
		<hr/>	<hr/>
Net Current Assets		1,093,048	1,389,832
		<hr/>	<hr/>
Net Assets		5,646,930	6,099,671
		<hr/>	<hr/>
Income Funds			
Restricted Funds	13	4,880,076	5,300,471
Unrestricted Funds			
General		250,289	250,792
Designated	12	506,565	548,408
		<hr/>	<hr/>
Total Unrestricted Funds		756,854	799,200
		<hr/>	<hr/>
Total Charity Funds		5,646,930	6,099,671
		<hr/>	<hr/>

Approved by the Board on 30 November 2022 and signed on its behalf by:


John Hunt
Chair

The Accounting Policies and Notes on pages 17 to 27 form part of these Financial Statements.

	2022 £	2021 £
Cash flow provided from operating activities	(30,367)	837,187
Cash flow from investing activities		
Payments to acquire tangible fixed assets	(105,568)	(6,503)
Interest receivable	121	1,069
	<hr/>	<hr/>
Net cash flow (used in) investing activities	(105,447)	(5,434)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	(135,814)	831,753
Cash and cash equivalents at start of year	1,313,010	481,257
	<hr/>	<hr/>
Cash and cash equivalents at end of year	1,177,196	1,313,010
	<hr/>	<hr/>
Reconciliation of net income to net cash flow from operating activities		
Net income/(expenditure) for year	(462,741)	544,151
Interest receivable	(121)	(1,069)
Depreciation of tangible fixed assets	272,525	315,815
(Increase)/Decrease in stock	(4,547)	3,643
(Increase)/Decrease in debtors	(24,086)	72,244
Increase/(Decrease) in creditors	188,603	(97,597)
	<hr/>	<hr/>
Net cash flow provided from operating activities	(30,367)	837,187
	<hr/>	<hr/>

1. General information and basis of preparation

The Palace Theatre Watford Limited is a company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are set out in the Report of the Trustees.

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going Concern

It is the opinion of the Directors/Trustees that the use of the going concern basis of accounting is appropriate because:

- there are no material uncertainties relating to events or conditions that may cast significant doubt about the ability of the Charitable Company to continue as a going concern;
- there is reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future.

2. Accounting Policies

2.1 Funds

Unrestricted Designated Funds

Refurbishment Depreciation Fund - costs related to small scale repairs and renovations, and the associated depreciation.

Future Production and Artistic projects - to hold grant and other monies for use on future productions and artistic projects.

Building and visitor experience - to hold grant and other monies to cover building contingency expenses and for physical improvements to enhance the visitor experience.

Façade Renovation Fund - costs related to the renovation of the building façade and the associated depreciation.

Lighting Desk Depreciation Fund - the depreciation cost of the lighting desk acquired in November 2012.

Resilience Projects Fund - to hold grant and other monies to fund one-off mid/long term impact projects related to the Charitable Company's strategic resilience.

Bar Refit Depreciation Fund - costs related to the renovation of the Bar / Cafe areas, and the associated depreciation

VAT Project Fund - fees and other expenses in relation to a review of the Theatre's historic VAT treatment, and subsequent claim for a refund from HMRC

2. Accounting Policies (continued)**Restricted Funds**

Theatre refurbishment fund - funds received/receivable specifically for the cost of the refurbishment of the Theatre.

Catalyst Arts Fund - funds received/receivable specifically in relation to the Arts Council England's Catalyst Arts Capacity building and match funding scheme, to support organisations in building their fundraising capacity and capability over a three-year period.

ACE Capital Fund - funding towards capital works to enhance rehearsal facilities, to improve energy efficiency and to replace essential specialist equipment.

New Writing Fund - funding towards investment in writing new work.

Merchant of Venice - donations received to support our future production of Shakespeare's The Merchant of Venice (a creative response to anti-Semitism in Britain, set in the London of the 1930s).

Arts Council Cultural Recovery Fund – the government's Culture Recovery Fund, supporting cultural organisations through the impact of the Covid-19 pandemic.

Garfield Weston Foundation - grant received from the Weston Culture Fund to support our Take Part youth and community programmes. Amounts are drawn down against the fund and transferred to the general fund when expenditure is incurred.

Fund Transfers

Transfers are made between funds as and when the Trustees deem them necessary, within the limits of any restrictions that are in place.

2.2 Incoming Resources

Voluntary income including donations, gifts and grants that provide core funding or are of a general nature are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred where the donor has specified that the grant or donation must be used in a future accounting period.

Investment income is recognised on a receivable basis.

Income from charitable activities includes:

- income derived from theatrical productions which is accounted for in the period in which the productions take place;
- grant income to support education and youth activities which is recognised where there is entitlement, certainty of receipt and the amount can be reliably measured.

2.3 Resources Expended

Expenditure is recognised when a liability is incurred.

Charitable activities include expenditure associated with the staging of theatrical productions and participation activities. These include both the direct costs and support costs relating to these activities. Expenditure on materials for set, props and costumes are accounted for in the Consolidated Statement of Financial Activities (SOFA) of the period of the production. None of this expenditure is capitalised, as sets are either disposed of, or sold on within the same financial year, or very shortly after the financial year end.

Support costs represent central function costs, governance costs and overheads and have been allocated between the activities of productions and participation using an apportionment percentage calculated by comparing the direct costs attributable to each of those categories in the year.

2. Accounting Policies (continued)**2.4 Tangible Fixed Assets**

Fixed assets (other than those relating to productions - see above) are stated at historical cost. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Plant, equipment and machinery	10% - 25% straight line
Information technology	10% - 33% straight line
Leasehold improvements	2.5% - 20% straight line
Long leasehold property	2.5% straight line

2.5 Stock

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

2.6 Leased assets and obligations

All operating lease rentals are charged to the SOFA on a straight line basis over the lease term.

2.7 New Writing Arrangements

These are advance costs incurred for possible future shows where the Charitable Company commissions a writer to work on a production which may or may not eventually be produced. The costs are written off to the SOFA in the year in which they are incurred.

2.8 Pensions

The Charitable Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charitable Company to the fund in respect of the year.

2.9 Taxation

The Charitable Company is exempt from Corporation Tax as all of its income is charitable and is applied for charitable purposes. The Charitable Company is registered for Value Added Tax (VAT); irrecoverable VAT (where applicable) is included in the cost of those items to which it relates.

3. Net Income/(Expenditure)	2022	2021
	£	£
This is stated after charging:		
Auditors' remuneration	8,820	8,888
Depreciation	272,525	315,815
Operating leases - land and buildings	27,000	-
	<hr/>	<hr/>
4. Incoming Resources	2022	2021
	£	£
Grants Receivable and fees		
Unrestricted income from:		
Arts Council England - grant	805,118	805,118
Service provision fees - Watford Borough Council	231,957	238,401
Support grant – Watford Borough Council	106,000	-
Restricted income from:		
Arts Council England – Cultural Recovery Fund grant	-	248,481
Garfield Weston Foundation – grant	-	315,000
	<hr/>	<hr/>
	1,143,075	1,607,000
	<hr/>	<hr/>
Incoming Resources from Charitable Activities		
Production:		
Box office income - produced	268,706	921
Box office income – co produced	725	-
Box office income - presented	151,119	6,056
Other production income	119,406	24
Film sales	3,413	598
Hire fees income	240	7,725
Front of house sales	6,845	-
	<hr/>	<hr/>
	550,454	15,324
Participation:		
Educational activities	26,861	8,457
External funding	890	3,400
	<hr/>	<hr/>
	27,751	11,857
Other:		
Tax relief	45,332	6,418
Sundry income	24,277	3,221
	<hr/>	<hr/>
	69,609	9,639
	<hr/>	<hr/>
Total income from charitable activities	647,814	36,820
	<hr/>	<hr/>

Income from grants receivable and fees was £1,143,075 (2021 - £1,607,000) of which £Nil (2021 - £563,481) was attributable to restricted funds and £1,143,075 (2021 - £1,043,519) was attributable to unrestricted funds.

Income from charitable activities was £647,814 (2021 - £36,820) of which £Nil (2021 - £Nil) was attributable to restricted funds and £647,814 (2021 - £36,820) was attributable to unrestricted funds.

5. Employee Information - Staff Costs	2022 £	2021 £
Establishment salaries	764,367	671,778
Establishment social security costs	74,783	59,621
Establishment pension costs	16,749	15,269
Non-establishment salaries	261,893	169,897
Non-establishment social security costs	4,633	1,158
Non-establishment pension costs	3,817	1,573
	<hr/>	<hr/>
	1,126,242	919,296
	<hr/>	<hr/>

One employee received emoluments between £70,000 and £80,000 (2021 – one). The total amount of employee benefits received by key management personnel, considered to be the Executive Team, during the year was £176,990 (2021 - £177,006).

Average Monthly Number of Employees during the Year

	Part-time Casual/seasonal	
	2022	2021
Establishment	25	25
Non Establishment	25	37
	<hr/>	<hr/>

Transactions with Directors

The Directors of the Charitable Company received no remuneration or reimbursement of expenses in the year (2021- £nil).

6. Total Resources Expended

6.1 Analysis of Charitable Expenditure

	Direct costs £	Support costs £	Total 2022 £	Total 2021 £
Production	811,735	1,246,185	2,057,920	1,300,398
Participation	136,879	202,866	339,745	212,313
	<hr/>	<hr/>	<hr/>	<hr/>
	948,614	1,449,051	2,397,665	1,512,711
	<hr/>	<hr/>	<hr/>	<hr/>

Charitable expenditure was £2,397,665 (2021 - £1,512,711) of which £268,775 (2021 - £229,069) was attributable to restricted funds and £2,128,890 (2021 - £1,283,642) was attributable to unrestricted funds.

6. Total Resources Expended (continued)

6.2 Analysis of Support Costs

	Charitable Activities £	Governance costs £	Total 2022 £	Total 2021 £
Wages	794,775	-	794,775	866,127
Establishment	193,307	-	193,307	92,033
Administration	100,633	-	100,633	93,047
Marketing and box office	75,660	-	75,660	35,200
Depreciation	270,551	-	270,551	299,173
Bank charges and interest	-	2,651	2,651	2,372
Legal and accountancy fees	-	2,462	2,462	446
Board	-	192	192	-
Audit	-	8,820	8,820	8,888
	<u>1,434,926</u>	<u>14,125</u>	<u>1,449,051</u>	<u>1,397,286</u>

Support costs are allocated as shown in the table above and then further apportioned between the two charitable activities undertaken.

Support costs are allocated on a basis consistent with the use of resources.

7. Tangible Assets	Leasehold improvement projects £	Equipment £	Plant and machinery £	Long leasehold property £	Total £
Cost					
At 1 April 2021	407,808	728,057	349,984	7,819,178	9,305,027
Additions	52,454	54,114	-	-	105,568
	<u>460,262</u>	<u>782,171</u>	<u>349,984</u>	<u>7,819,178</u>	<u>9,411,595</u>
At 31 March 2022	460,262	782,171	349,984	7,819,178	9,411,595
	<u>460,262</u>	<u>782,171</u>	<u>349,984</u>	<u>7,819,178</u>	<u>9,411,595</u>
Depreciation					
At 1 April 2021	379,988	651,824	339,703	3,223,873	4,595,388
Charge for the year	28,604	43,486	4,956	195,479	272,525
	<u>408,592</u>	<u>695,310</u>	<u>344,659</u>	<u>3,419,352</u>	<u>4,867,913</u>
At 31 March 2022	408,592	695,310	344,659	3,419,352	4,867,913
	<u>408,592</u>	<u>695,310</u>	<u>344,659</u>	<u>3,419,352</u>	<u>4,867,913</u>
Net Book Value					
At 31 March 2022	51,670	86,861	5,325	4,399,826	4,543,682
	<u>51,670</u>	<u>86,861</u>	<u>5,325</u>	<u>4,399,826</u>	<u>4,543,682</u>
At 31 March 2021	27,820	76,233	10,281	4,595,305	4,709,639
	<u>27,820</u>	<u>76,233</u>	<u>10,281</u>	<u>4,595,305</u>	<u>4,709,639</u>

8. Investment – subsidiary trading companies	2022	2021
	£	£

Shares in group undertakings:

Cost at 1 April and at 31 March	200	200
	<u> </u>	<u> </u>

The Charitable Company owns 100% of the ordinary share capital of The Palace Theatre Watford Productions Limited, which is incorporated in England and Wales. The subsidiary company was dormant during the year.

The Charitable Company owns 100% of the ordinary share capital of The Palace Theatre Watford Bar Limited, which is incorporated in England and Wales. The Charitable Company has 100% control over this subsidiary company. This subsidiary company has been dormant from 1 April 2015, but previously operated to provide working capital finance for the charitable parent Charitable Company by covenanting distributable profits to The Palace Theatre Watford Limited. The subsidiary company operated catering facilities at the theatre.

9. Stocks	£	£
Stock	7,111	2,564
	<u> </u>	<u> </u>

10. Debtors

Trade debtors	8,274	6,453
Prepayments and accrued income	233,526	211,261
	<u> </u>	<u> </u>
	241,800	217,714
	<u> </u>	<u> </u>

11. Creditors: Amounts falling due within one year

Trade creditors	58,992	26,236
Amounts due to subsidiary companies	200	200
Social security and other taxes	16,666	14,536
Other creditors	19,053	22,357
Accruals and deferred income	237,148	80,127
	<u> </u>	<u> </u>
	332,059	143,456
	<u> </u>	<u> </u>

Included in accruals and deferred income is deferred income of £115,445 (2021 - £19,970) which comprises advance ticket sales. £19,970 was released to the SOFA in the year to 31 March 2022 and £115,445 will be released to the SOFA in the year to 31 March 2023.

Included in other creditors are defined contribution pension liabilities of £4,183 (2021 - £3,078) all of which has been funded by unrestricted funds.

12. Unrestricted Designated Funds

The income funds of the Charitable Company include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes:

	Balance at 1 April 2021 £	Incoming resources £	Outgoing expenditure £	Transfers £	Balance at 31 March 2022 £
General Funds	250,792	1,921,529	(2,123,609)	201,577	250,289
Designated Funds					
Refurbishment Fund	7,866	-	(1,123)	-	6,743
Future Production & Artistic Projects	223,316	6,333	-	(20,000)	209,649
Building and Visitor Experience	161,443	-	-	-	161,443
Lighting Desk Depreciation	3,803	-	(3,803)	-	-
Resilience Project Fund	133,255	-	-	(22,500)	110,755
VAT Project Fund	18,725	-	(750)	-	17,975
	<u>548,408</u>	<u>6,333</u>	<u>(5,676)</u>	<u>(42,500)</u>	<u>506,565</u>
Unrestricted Funds	<u>799,200</u>	<u>1,927,862</u>	<u>(2,129,285)</u>	<u>159,077</u>	<u>756,854</u>

	Balance at 1 April 2020 £	Incoming resources £	Outgoing expenditure £	Transfers £	Balance at 31 March 2021 £
General Funds	250,231	1,493,106	(1,259,387)	(233,159)	250,792
Designated Funds					
Refurbishment Fund	8,989	-	(1,123)	-	7,866
Future Production & Artistic Projects	136,316	-	-	87,000	223,316
Building and Visitor Experience	74,443	-	-	87,000	161,443
Facade Renovation	14,357	-	(14,357)	-	-
Lighting Desk Depreciation	7,604	-	(3,801)	-	3,803
Resilience Project Fund	40,255	-	-	93,000	133,255
Bar Refit Depreciation Fund	5,831	-	(5,831)	-	-
VAT Project Fund	19,375	-	(650)	-	18,725
	<u>307,170</u>	<u>-</u>	<u>(25,762)</u>	<u>267,000</u>	<u>548,408</u>
Unrestricted Funds	<u>557,402</u>	<u>1,493,106</u>	<u>(1,285,149)</u>	<u>33,841</u>	<u>799,200</u>

A description of the designated funds can be found at note 2.1.

13. Restricted Fund

The income funds of the Charitable Company include the following restricted funds where the donor has specified the purpose for which the fund is to be used:

	Balance at 1 April 2021 £	Incoming resources £	Outgoing expenditure £	Transfers £	Balance at 31 March 2022 £
Theatre Refurbishment Fund	4,595,305	-	(195,479)	-	4,399,826
Catalyst Arts Fund	15,045	1,711	(284)	(3,500)	12,972
Arts Council England Capital Fund	59,074	-	(18,496)	-	40,578
New Writing Fund	478	-	-	-	478
Merchant of Venice	113,523	6,030	-	-	119,553
Arts Council Cultural Recovery Fund	202,046	-	(54,800)	(50,000)	97,246
Garfield Weston Foundation	315,000	-	-	(105,577)	209,423
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,300,471	7,741	(269,059)	(159,077)	4,880,076
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

	Balance at 1 April 2020 £	Incoming resources £	Outgoing expenditure £	Transfers £	Balance at 31 March 2021 £
Theatre Refurbishment Fund	4,790,784	-	(195,479)	-	4,595,305
Catalyst Arts Fund	15,763	2,068	(2,786)	-	15,045
Arts Council England Capital Fund	77,570	-	(18,496)	-	59,074
New Writing Fund	478	-	-	-	478
Merchant of Venice	113,523	-	-	-	113,523
Arts Council Cultural Recovery Fund	-	248,481	(12,594)	(33,841)	202,046
Garfield Weston Foundation	-	315,000	-	-	315,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,998,118	565,549	(229,355)	(33,841)	5,300,471
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

A description of the restricted funds can be found at note 2.1.

14. Allocation of Net Assets between Funds

	General fund	Designated fund	Restricted fund	Total 2022
	£	£	£	£
Tangible fixed assets	96,535	6,743	4,440,404	4,543,682
Investments	200	-	-	200
Current assets	485,613	499,822	439,672	1,425,107
Current liabilities	(332,059)	-	-	(332,059)
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets	250,289	506,565	4,880,076	5,646,930
	<hr/>	<hr/>	<hr/>	<hr/>
	General fund	Designated fund	Restricted fund	Total 2021
	£	£	£	£
Tangible fixed assets	43,591	11,669	4,654,379	4,709,639
Investments	200	-	-	200
Current assets	350,457	536,739	646,092	1,533,288
Current liabilities	(143,456)	-	-	(143,456)
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets	250,792	548,408	5,300,471	6,099,671
	<hr/>	<hr/>	<hr/>	<hr/>

15. Revenue Commitments

The Charitable Company's annual obligation under an operating lease is as follows, analysed according to the date of the first review of the lease.

	2022 Land and Buildings £	2021 Land and Buildings £
Operating lease which expires:		
Between 2 and 5 years	114,500	-
	<hr/>	<hr/>

16. Capital Commitments

There were no contracted capital commitments at 31 March 2022 (2021 - none).

17. Related Party Relationships and Transactions

During the year, the following Trustees have been connected with organisations that have made payments to the Charitable Company:

Councillor Agnieszka Dychton and Councillor Timothy Williams – Watford Borough Council – Service provision fees of £231,957 (2021: £238,401) and further funding of £106,000 (2021 - £ nil).

Deborah Lincoln – Warner Bros International – sponsorship £17,500 (2021: £Nil)