

**Charity registration number 1014891**

**Company registration number 02759117 (England and Wales)**

**THE CRITERION THEATRE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**THE CRITERION THEATRE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Trustees</b>	A Banes S Fry S Greene S Rosen Lily Bourne	(Appointed 21 February 2022)
<b>Secretary</b>	A Banes	
<b>Charity number</b>	1014891	
<b>Company number</b>	02759117	
<b>Principal address</b>	2 Jermyn Street London SW1 4XA	
<b>Registered office</b>	73 Cornhill London EC3V 3QQ	
<b>Independent Auditor</b>	Gerald Edelman LLP 73 Cornhill London EC3V 3QQ	
<b>Bankers</b>	The Royal Bank of Scotland Plc London Piccadilly Circus Branch 48 Haymarket London SW1Y 4SE	
<b>Solicitors</b>	Howard Kennedy LLP No.1 London Bridge London SE1 9BG	

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**THE CRITERION THEATRE TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
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# **THE CRITERION THEATRE TRUST**

## **(A COMPANY LIMITED BY GUARANTEE)**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

#### ***FOR THE YEAR ENDED 31 DECEMBER 2021***

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The Trustees present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019).

#### **Objectives and activities**

The charity's objectives are to promote, maintain, improve and advance education by the encouragement of the arts, including the arts of drama, mime, dance, music, ballet, opera, puppetry, painting and sculpture, photography, cinema literature and poetry and to formulate, prepare and establish schemes to meet these objectives.

To achieve these aims the Trust:

- Maintains and operates the Criterion Theatre;
- Presents and promotes theatre productions;
- Enables and supports the development of theatrical productions and the developmental process including readings and workshops;
- Runs an education programme, initiating schools workshops relevant to the current production; and
- Makes the theatre available, outside of the times of public performances, for schools, colleges, drama groups, theatre and television production companies for showcases, auditions, rehearsals, conferences and events.

Our key educational focus is to promote and advance the involvement of young people in the arts primarily by making this historic venue available to them both as performers and engaged theatre goers.

In setting the objectives and planning its activities the Trustees have considered the Charity Commission guidance on public benefit, including the guidance on public benefit and fee charging. The theatre relies on donations and income from fees and charges to cover its operating costs. In setting the level of fees the trustees give careful consideration to the accessibility of the theatre.

Criterion New Writing is a ground breaking education program offered by the Trust. It involves a series of script writing and development workshops taking place on stage. It is free to apply and take part.

#### **Activities**

The theatre remained closed due to Covid 19 restrictions into the first quarter of 2021 and the activities of the Trust were for the most part suspended. Technical and building staff came off furlough to part time working in January to carry out maintenance work and refurbishment in preparation for re-opening later in the year.

The full permanent Criterion staff returned with four weeks of production rehearsals in mid-April and then reopened on the 20th May with the production of Amélie playing to restricted capacity under the then current Covid restrictions. The severely restricted permitted capacity, below 50%, limited the income that could be generated both by rental to the producer and by front of house operations. The Cultural Recovery Fund grant supported the Trust through the closure period and essentially enabled the Trust to re-open on these restricted terms and employ a team of performance staff from May onwards. The production deal allowed for the rental and capacity to be increased as restrictions were gradually lifted. Although delayed from the anticipated July date we were able to open to full capacity at the end of August.

Significant work was done prior to re-opening, with the aid of the CRF grant, to ensure covid-19 safe mitigations were in place and ensured compliance with the SOLT industry standard: See It Safely. A substantial review was carried out on the air conditioning system including monitoring levels of air flow and the replacement of filters to improve air circulation and quality.

The production of Amélie ran its booked run to September, with just a couple of covid related performance cancellations, and was followed in October by the delayed run of the critically acclaimed Pride and Prejudice (sort of), originally scheduled for November 2020.

**THE CRITERION THEATRE TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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Post lockdown opening, the Criterion had 31 performing weeks with a total of 227 performances and played to audiences of 75,379 for the year.

The Trust's Criterion New Writing programme resumed initially online, although the planned second Criterion Partnerships programme was further postponed to 2022.

Daytime use of the theatre by the Trust for the development of new work recommenced although still curtailed from normal levels. Covid safe restrictions remained in place in order to protect our main production and mitigate against the resurgence of cases at the end of the year.

**Financial review**

The statement of financial activities shows net surplus of £107,154

The Trust's activities are financed by the income it raises itself and is therefore reliant on the theatre being fully programmed throughout the year. For the first four months of 2021 the theatre was not able to raise income and relied on support from the Cultural Recovery Fund Grant.

During closure, work was done to move both the ticketing and front of house sales to digital and cashless operations and new systems installed to encourage pre booking for front of housing trading in order to maximise income.

Once we were able to open to our full capacity without restrictions, full rent and contra levels were resumed.

Repayments have begun on the government Bounce Back Loan of £50,000. The Trust's intention being to repay the loan as early as possible once trading has stabilised.

The per ticket Restoration Levy has been increased to £1.25 per ticket to support the Trust in maintaining the Grade II listed building.

**Reserves policy**

The total funds held by the Trust at 31 December 2021 were £1,710,152 (2020: £1,602,998). Of these, the funds not committed or invested in fixed assets ("the free reserves") were £1,642,920 (2020: £1,595,375).

It is the policy of the company that its free reserves should be maintained at a level equivalent to a minimum of six month's expenditure, including potential redundancy liabilities but excluding the salary costs associated with the theatre being programmed with a production. The policy was reviewed in December 2021 with the reserves level currently set at £850,000. The Trustees consider reserves at this level will ensure that the Trust will be able to fulfil six months of its financial commitments, including the retention of fulltime staff, while consideration is given to ways in which additional funds may be raised. As the theatre is situated in an extensive office and retail development the Trust has larger charges than ordinarily applicable for similar theatre operations. These costs are not reduced if the Trust is unable to trade.

**THE CRITERION THEATRE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Plans for the future**

The focus will be to ensure that there are a minimum number of dark weeks with the theatre fully programmed. The theatre is currently programmed through to 2023 but with an awareness that theatre ticket buying is still vulnerable to further peaks in Covid 19 infection rates and external financial pressures.

As the Restoration Levy funds are rebuilt this will enable the Trust to make further improvements and repairs to the venue including refurbishment of backstage facilities, continuing work to make the venue environmentally sustainable and commence restoration work on the external canopy and entrance.

The Criterion New Writing programme will resume its full calendar of events in 2022/2023 including the resumption of the Autumn season of showcases of our writers' work.

The Trust will continue to collaborate with existing partners working with young people for example with Eastside Educational's spoken word programme and will explore further opportunities to engage with the main production in providing related workshops, subsidised ticketing and theatre tours to educational groups. Daytime use of the venue for the development and exploration of new work will continue.

**Structure, governance and management**

The Criterion Theatre Trust is a company limited by guarantee and a registered charity, governed by its Memorandum and Articles of Association dated 21 October 1992.

*Trustees*

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

R Bourne	(Resigned 31 December 2021)
A Banes	
S Fry	
S Greene	
S Rosen	
Lily Bourne	(Appointed 21 February 2022)

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The board has the power to appoint additional trustees at their discretion.

*Organisation*

The Trust is governed by a Board of Trustees which must have a minimum of three members and a maximum of fifteen. The Trustees meet regularly to manage its affairs. The day-to-day responsibilities for the charity are delegated to the Managing Director, Fiona Callaghan.

*Risk management*

The Trustees have a risk management strategy which comprises:

- An annual review of the risks the charity may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan; and
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

Particular attention has focused on non-financial risks arising from fire, health and safety of artists and audience, management of performing rights and hygiene. A key element in the management of financial risk is the setting of a reserves policy and its regular review by Trustees.

# **THE CRITERION THEATRE TRUST (A COMPANY LIMITED BY GUARANTEE) TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021**

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## *Trustee induction and training*

New Trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other Trustees. Trustees are encouraged to attend appropriate external events where these will facilitate the understanding of their role.

## *Investment powers*

Under the Memorandum and Articles of Association, the charity has the power to make any investment, which they determine is in the best interests of the charity at their absolute discretion.

## *Related parties*

A summary of transactions with related parties is set out in note 22 of the financial statements. Details of the subsidiaries of the charity are detailed in note 23.

## **Statement of Trustees' responsibilities**

The trustees, who are also the directors of The Criterion Theatre Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

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

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

## **Going concern**

Having reviewed the company's financial forecasts and expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least the next twelve months. Thus the going concern basis has been adopted in preparing the financial statements for the year ended 31 December 2021.

## **Auditor**

Gerald Edelman LLP were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

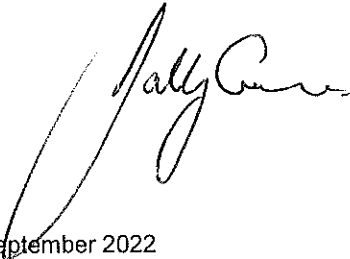
## **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

**THE CRITERION THEATRE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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The Trustees' report was approved by the Board of Trustees and signed on their behalf by:

  
**S Greene**  
Trustee  
Dated: 16 September 2022

# THE CRITERION THEATRE TRUST (A COMPANY LIMITED BY GUARANTEE) INDEPENDENT AUDITOR'S REPORT

## TO THE TRUSTEES OF THE CRITERION THEATRE TRUST

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### Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, 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 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 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 other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 our audit:

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

**THE CRITERION THEATRE TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE TRUSTEES OF THE CRITERION THEATRE TRUST**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the statement of Trustees' responsibilities, the trustees, who are also the directors of the company for the purpose 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

Our audit procedures were primarily directed towards testing the accounting systems in operation upon which we have based our assessment of the financial statements for the year ended 31 December 2020.

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.

**THE CRITERION THEATRE TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE TRUSTEES OF THE CRITERION THEATRE TRUST**

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**The extent to which the audit was considered capable of detecting irregularities including fraud**

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- 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.
- Enquiring of management of whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or non-compliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud and the posting of unusual journals.
- Obtaining understanding of the legal and regulatory framework the company operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included UK Companies Act 2006, tax legislation, data protection, anti-bribery, employment law and health and safety.

**Audit response to risks identified**

***Fraud due to management override***

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

- Performed analytical procedures to identify any unusual or unexpected relationships
- Auditing the risk of management override of controls, including through testing journal entries for appropriateness.
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias.
- Investigated the rationale behind significant or unusual transactions.

***Irregularities and non-compliance with laws and regulations***

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

- Agreeing financial statements disclosures to underlying supporting documentation.
- Reviewing minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation claims.
- Reviewing correspondence with HMRC, relevant regulators including and the company's legal advisors.

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the more removed that laws and regulations are from financial transactions, the less likely that we would become aware of non-compliance.

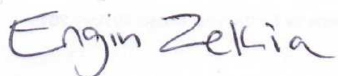
Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the directors of The Criterion Theatre Trust.

**THE CRITERION THEATRE TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE TRUSTEES OF THE CRITERION THEATRE TRUST**

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**Use of our report**

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Engin Zekia FCA (Senior Statutory Auditor)  
for and on behalf of Gerald Edelman LLP**

16 September 2022

**Chartered Accountants  
Statutory Auditor**

73 Cornhill  
London  
EC3V 3QQ

**THE CRITERION THEATRE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b><u>Income from:</u></b>					
Income from charitable activities	3	1,464,215	61,984	1,526,199	755,862
Investment income	4	1,048	-	1,048	5,309
Other income	5	422,278	-	422,278	508,376
<b>Total income</b>		<b>1,887,541</b>	<b>61,984</b>	<b>1,949,525</b>	<b>1,269,547</b>
<b><u>Expenditure on:</u></b>					
Charitable activities	6	1,839,996	2,375	1,842,371	1,692,146
<b>Net income/(expenditure) for the year</b>		<b>47,545</b>	<b>59,609</b>	<b>107,154</b>	<b>(422,599)</b>
<b>Net movement in funds</b>		<b>47,545</b>	<b>59,609</b>	<b>107,154</b>	<b>(422,599)</b>
Fund balances at 1 January 2021		1,595,375	7,623	1,602,998	2,025,597
<b>Fund balances at 31 December 2021</b>		<b>1,642,920</b>	<b>67,232</b>	<b>1,710,152</b>	<b>1,602,998</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**THE CRITERION THEATRE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**BALANCE SHEET**

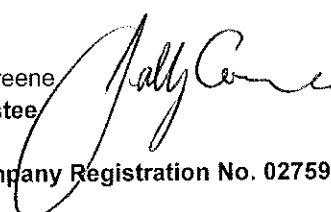
**AS AT 31 DECEMBER 2021**

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		81,578		129,283
Investments	11		1,661		1,662
			<u>83,239</u>		<u>130,945</u>
<b>Current assets</b>					
Stocks	13	18,452		10,567	
Debtors	14	291,673		147,558	
Cash at bank and in hand		2,032,452		1,611,949	
		<u>2,342,577</u>		<u>1,770,074</u>	
<b>Creditors: amounts falling due within one year</b>	15	(678,087)		(248,021)	
Net current assets			<u>1,664,490</u>		<u>1,522,053</u>
<b>Total assets less current liabilities</b>			<u>1,747,729</u>		<u>1,652,998</u>
<b>Creditors: amounts falling due after more than one year</b>	17		(37,577)		(50,000)
<b>Net assets</b>			<u><u>1,710,152</u></u>		<u><u>1,602,998</u></u>
<b>Income funds</b>					
Restricted funds	19		67,232		7,623
Unrestricted funds			1,642,920		1,595,375
			<u>1,710,152</u>		<u>1,602,998</u>

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements so far as applicable to the company.

The financial statements were approved by the Board of Trustees and authorised for issue on 16 September 2022 and signed on their behalf by:

S Greene  
Trustee



Company Registration No. 02759117

**THE CRITERION THEATRE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	24		421,229		(889,967)
<b>Investing activities</b>					
Investment income received		1,049		5,309	
<b>Net cash generated from investing activities</b>					
			1,049		5,309
<b>Financing activities</b>					
Repayment of bank loans		(1,775)		50,000	
<b>Net cash (used in)/generated from financing activities</b>					
			(1,775)		50,000
<b>Net increase/(decrease) in cash and cash equivalents</b>					
			420,503		(834,658)
Cash and cash equivalents at beginning of year			1,611,949		2,446,607
<b>Cash and cash equivalents at end of year</b>			<b>2,032,452</b>		<b>1,611,949</b>

**THE CRITERION THEATRE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1 Accounting policies**

**Company information**

The Criterion Theatre Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is 73 Cornhill, London, EC3V 3QQ.

**1.1 Accounting convention**

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Companies Act 2006 and "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)- (Charities SORP (FRS 102 as amended for accounting periods commencing after 1 January 2019)". The company is a Public Benefit Entity as defined by FRS 102.

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 £.

The accounts have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

**Group Financial Statements**

Group financial statements have not been prepared as the subsidiary undertakings are dormant and would be immaterial after consolidation adjustments.

**1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees' continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds relate to the restoration levies collected on each ticket sold. The funds will be available for future expenditure on the restoration of the theatre.

**1.4 Incoming resources**

Income is recognised when the company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income from charitable activities is accounted for on an accruals basis net of VAT. No permanent endowments or voluntary income and donations have been received in the year, but these are dealt with through the Statement of Financial Activities when received. Income is only deferred when it specifically relates to future accounting periods.

**THE CRITERION THEATRE TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1 Accounting policies**

**(Continued)**

**1.5 Resources expended**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure.

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

Charitable expenditure includes theatre running costs which are directly attributable to theatre activities.

These include costs incurred for the governance of the charity and are primarily associated with constitutional and statutory requirements.

**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over period of the lease
Plant and machinery	25% on cost
Fixtures, fittings & equipment	10% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

**1.7 Fixed asset investments**

Fixed asset investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in net income/ (expenditure) for the year.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

**1.8 Impairment of fixed assets**

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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---

**1 Accounting policies**

**(Continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.9 Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is computed on a first in first out basis and comprises of food and drink and merchandise available for consumption at the theatre.

Net realisable value is the estimated selling price less costs to be incurred in marketing, selling and distribution.

**1.10 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.11 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

---

**1 Accounting policies**

**(Continued)**

***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**1.12 Taxation**

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

**1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.14 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

**1.15 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**2 Critical accounting estimates and judgements**

In the application of the 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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**3 Income from charitable activities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Private property seats income	74,694	27,925
Merchandising and catering	305,463	133,965
Producers contra charges	874,587	448,737
Hire of theatre	22,147	5,834
Booking fees and commission receivable	187,324	109,935
Restoration levies	61,984	29,466
	<u>1,526,199</u>	<u>755,862</u>
Analysis by fund		
Unrestricted funds - general	1,464,215	726,396
Restricted funds	61,984	29,466
	<u>1,526,199</u>	<u>755,862</u>

All of the above income relates to the theatre company operations.

The entire income arose within the UK (2020: 100%). The entire net assets and resources relate to the theatre operations (2020: 100%).

**4 Investment income**

	<b>Unrestricted funds general 2021 £</b>	<b>Unrestricted funds general 2020 £</b>
Interest receivable	1,048	5,309
	<u>1,048</u>	<u>5,309</u>

**5 Other income**

	<b>Unrestricted funds general 2021 £</b>	<b>Unrestricted funds general 2020 £</b>
Grants receivable	416,943	508,376
Other income	5,335	-
	<u>422,278</u>	<u>508,376</u>

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**6 Charitable activities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Theatre costs</b>		
Staff costs	760,421	845,754
Depreciation and impairment	47,706	47,706
Operation of theatre	1,014,866	762,490
Hires/conferences	2,375	22,946
	<u>1,825,368</u>	<u>1,678,896</u>
Support costs (including governance)	17,003	13,250
	<u>1,842,371</u>	<u>1,692,146</u>

**7 Net movement in funds**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	14,500	13,250
Depreciation of owned tangible fixed assets	47,706	47,706
Operating leases - rent	210,000	210,000
	<u>272,206</u>	<u>271,000</u>

**8 Trustees**

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. No expenses were refunded to the trustees in the year.

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**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**9 Employees**

**Number of employees**

	<b>2021</b>	<b>2020</b>
The average monthly number employees during the year was:		
Admin	10	9
Box office	4	4
Stage	2	3
Electronics	3	2
Front of House	10	8
	<u>29</u>	<u>26</u>

**Employment costs**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	683,775	752,123
Social security costs	60,279	72,381
Other pension costs	16,367	21,250
	<u>760,421</u>	<u>845,754</u>

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Number of employees whose annual remuneration was £60,000 or more:	<u>1</u>	<u>1</u>

**THE CRITERION THEATRE TRUST**  
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**10 Tangible fixed assets**

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2021	156,358	55,149	796,552	1,008,059
At 31 December 2021	156,358	55,149	796,552	1,008,059
<b>Depreciation and impairment</b>				
At 1 January 2021	156,358	55,149	667,270	878,777
Depreciation charged in the year	-	-	47,704	47,704
At 31 December 2021	156,358	55,149	714,974	926,481
<b>Carrying amount</b>				
At 31 December 2021	-	-	81,578	81,578
At 31 December 2020	-	-	129,283	129,283

**11 Fixed asset investments**

	Notes	2021 £	2020 £
Investments in subsidiaries	<b>23</b>	2	3
Unlisted investments		1,659	1,659
		1,661	1,662

The unlisted investment is in respect of shares in Greene Light Stage plc.

**Movements in fixed asset investments**

	Shares £
<b>Cost</b>	
At 1 January 2021 & 31 December 2021	1,662
<b>Carrying amount</b>	
At 31 December 2021	1,662
At 31 December 2020	1,662

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<b>12</b>	<b>Financial instruments</b>		<b>2021</b>	<b>2020</b>
			<b>£</b>	<b>£</b>
	<b>Carrying amount of financial assets</b>			
	Debt instruments measured at amortised cost		111,258	-
	Equity instruments measured at cost less impairment		1,659	1,659
			<u>          </u>	<u>          </u>
	<b>Carrying amount of financial liabilities</b>			
	Measured at amortised cost		597,553	240,045
			<u>          </u>	<u>          </u>
<b>13</b>	<b>Stocks</b>		<b>2021</b>	<b>2020</b>
			<b>£</b>	<b>£</b>
	Finished goods and goods for resale		18,452	10,567
			<u>          </u>	<u>          </u>
<b>14</b>	<b>Debtors</b>		<b>2021</b>	<b>2020</b>
			<b>£</b>	<b>£</b>
	<b>Amounts falling due within one year:</b>			
	Trade debtors		25,501	-
	Other debtors		85,757	-
	Prepayments and accrued income		180,415	147,558
			<u>          </u>	<u>          </u>
			291,673	147,558
			<u>          </u>	<u>          </u>
<b>15</b>	<b>Creditors: amounts falling due within one year</b>		<b>2021</b>	<b>2020</b>
			<b>£</b>	<b>£</b>
		<b>Notes</b>		
	Bank loans	<b>16</b>	10,648	-
	Other taxation and social security		90,869	36,567
	Trade creditors		42,166	5,934
	Other creditors		507,162	184,111
	Accruals and deferred income		27,242	21,409
			<u>          </u>	<u>          </u>
			678,087	248,021
			<u>          </u>	<u>          </u>

**THE CRITERION THEATRE TRUST**  
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**16 Loans and overdrafts**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank loans	48,225	50,000
Payable within one year	10,648	-
Payable after one year	37,577	50,000
Amounts included above which fall due after five years:		
Payable by instalments	-	7,904

**17 Creditors: amounts falling due after more than one year**

	<b>Notes</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
Bank loan	<b>16</b>	37,577	50,000

**18 Share capital**

The company has no share capital being a company limited by guarantee. The liability of the members is limited to £1 upon winding up.

**19 Restricted funds**

The income funds of the charity include restricted funds comprising restoration levies collected via ticket sales at £1.25/ticket sold. The movement in the year was as follow:

	<b>Movement in funds</b>			<b>Balance at 31 December 2021</b>
	<b>Balance at 1 January 2021</b>	<b>Income</b>	<b>Expenditure</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Restoration levies	7,623	61,984	(2,375)	67,232

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**20 Analysis of net assets between funds**

	<b>Unrestricted £</b>	<b>Restricted £</b>	<b>Total £</b>
Fund balances at 31 December 2021 are represented by:			
Tangible assets	81,578	-	81,578
Investments	1,661	-	1,661
Current assets/(liabilities)	1,597,258	67,232	1,664,490
Long term liabilities	(37,577)	-	(37,577)
	<u>1,642,920</u>	<u>67,232</u>	<u>1,710,152</u>

**21 Operating lease commitments**

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

	<b>2021 £</b>	<b>2020 £</b>
Within one year	210,000	210,000
Between two and five years	840,000	840,000
In over five years	3,692,500	3,902,500
	<u>4,742,500</u>	<u>4,952,500</u>

**22 Related party transactions**

**Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	<b>2021 £</b>	<b>2020 £</b>
Aggregate compensation	87,197	80,696

**23 Subsidiaries**

Details of the company's subsidiaries at 31 December 2021 are as follows:

<b>Name of undertaking and country of incorporation or residency</b>	<b>Nature of business</b>	<b>Class of shareholding</b>	<b>% Held</b>
Criterion Theatre Piccadilly Limited      England	Dormant	Ordinary	100.00

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**23 Subsidiaries**

**(Continued)**

Criterion Theatre Piccadilly Limited has been dormant throughout the current and previous year. The aggregate share capital and reserves of Criterion Theatre Piccadilly Limited amounted to a deficit of £21,464, which was represented by an amount due to The Criterion Theatre Trust. The amount has been previously provided against.

During the year, CRI Piccadilly Ltd was dissolved and ceased to be a subsidiary of the company.

<b>24 Cash generated from operations</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Surplus/(deficit) for the year	107,154	(422,599)
Adjustments for:		
Investment income recognised in statement of financial activities	(1,048)	(5,309)
Depreciation and impairment of tangible fixed assets	47,706	47,706
Movements in working capital:		
(Increase)/decrease in stocks	(7,885)	4,225
(Increase)/decrease in debtors	(144,116)	192,405
Increase/(decrease) in creditors	419,418	(706,395)
<b>Cash generated from/(absorbed by) operations</b>	<b>421,229</b>	<b>(889,967)</b>

**25 Analysis of changes in net funds**

	<b>At 1 January 2021</b>	<b>Cash flows</b>	<b>At 31 December 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	1,611,949	420,503	2,032,452
Loans falling due within one year	-	(10,648)	(10,648)
Loans falling due after more than one year	(50,000)	12,423	(37,577)
	<b>1,561,949</b>	<b>422,278</b>	<b>1,984,227</b>