THE KINGS THEATRE TRUST LIMITED

England & Wales · Charity number 1088254

Details

Status	Registered
Legal form	Charitable company
Company number	03983443
Registered	2001-08-29
Register	View on the Charity Commission register

Contact

Address	Kings Theatre Albert Road Southsea PO5 2QJ
Phone	02392852205
Email	accounts@kings-southsea.com
Website	www.kingsportsmouth.co.uk

Activities

Objects: THE MAINTENANCE, REPAIR, RESTITUTION, PRESERVATION AND IMPROVEMENT OF THE KINGS THEATRE, SOUTHSEA, HAMPSHIRE; PROMOTION OF EDUCATION IN ARTS; AND PROMOTION OF THE ARTS

Activities: To refurbish, restore and to operate the King's Theatre, Southsea as a venue for professional and amateur organisations. To educate and entertain all groups regardless of age, gender or religion.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** The General Public/mankind

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Geography

- **Area of benefit:** THE BENEFIT OF THE PUBLIC THE KINGS THEATRE.
- Hampshire
- Portsmouth City
- West Sussex

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£3,693,670	£3,097,817	£2,447,099	99
2023-08-31	£3,108,326	£2,528,745	£1,851,246	34
2022-08-31	£2,673,799	£1,845,006	£1,271,665	36
2021-08-31	£1,152,735	£1,350,142	£442,872	29
2020-08-31	£1,908,077	£2,007,320	£640,279	49

Trustees

Name	Role	Appointed
Damon Trevor Repton	Chair	2006-06-07
DAVID TERENCE GANT		2014-02-03
Dr Hugh Laurence Mason		2023-07-13
GARETH JAMES MORGAN		2016-05-11
Graeme Brian Quar		2024-06-11
MR RON HASKER		
Marie Ogugua Costa		2023-09-08
Robert Andrew Charles Peck		2016-05-11
jane prescott		2018-02-09

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THE KINGS THEATRE TRUST LIMITED

England & Wales - Charity number 1088254

Accounts

REGISTERED COMPANY NUMBER: 03983443 (England and Wales)
REGISTERED CHARITY NUMBER: 1088254

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

FOR

THE KINGS THEATRE TRUST LIMITED

THE KINGS THEATRE TRUST LIMITED

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THE KINGS THEATRE TRUST LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

The objective of the charity is to provide high quality entertainment at affordable prices; deliver opportunities for the local community to participate in the arts through social and cultural activities; and be responsible custodians of the Grade II* listed building with a maintenance and restoration programme.

PUBLIC BENEFIT

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The Trustees refer to public benefit throughout this report.

THE KINGS THEATRE TRUST LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2024

ACHIEVEMENT AND PERFORMANCE

This report sets out the achievements of the Kings Theatre Trust Limited from September 2023 to August 2024.

The financial year 23/24 has been a period of continued growth and investment for the Kings. It has emerged fully from the pandemic in a stronger position than it was pre-pandemic, with better programming, increased audience figures, an established producing arm, and a rapidly evolving Arts Academy.

Good attendance at shows has enabled the theatre to build up reserves. The surpluses generated from its ticket sales, restoration levy and ancillary sales, after covering operating costs, is used to create opportunities to participate in creativity and the enjoyment of the arts with the production of its community shows, the delivery of its community and outreach programme, and by subsidising its Arts Academy and the scholarship scheme. The Kings is committed to providing affordable theatre and has continued to avail subsidised £10 tickets in the gallery and restricted view seats for internal productions and endeavours to put on shows at reasonable prices. Surpluses are also allocated to maintaining all that is needed to deliver a high-quality theatre experience, including auditorium repairs, the upgrade of stage and technical equipment, and maintenance of the building and preservation of its historical collection.

The theatre makes a positive impact to the local economy and employment. Over the year it employed 31 contracted staff and 103 casual staff. Furthermore, local shops, bars, restaurants, travel firms and businesses benefit from the increased footfall to the area.

The challenges the Kings faces going forward include the lack of suitable space to expand its community and outreach offering, making the necessary changes to improve accessibility, and upgrading public areas and facilities in the theatre to meet the needs of modern audiences. The theatre is built around three shops that are now dilapidated, and it is proposing to use its reserves such that this space can be redeveloped and incorporated into the theatre to meet the needs of the theatre and rejuvenate the high street.

My thanks go to all the Trustees and the Executive Board for their support over the last year, and I want to express enormous gratitude to all the staff and volunteers who have delivered the activities and contributed to the successes and achievements.

ACHIEVEMENTS IN 2023/24

- PROGRAMMING AND AUDIENCES

  The programming policy is to have a broad appeal to people living in Portsmouth and the local region. In this year there were 98 different shows with 177,230 attending performances across 210 live performances of the shows. The quality of shows is reflected in the many published reviews, willingness of producers to work with the Kings, and in feedback from customers.

  Week longs have included national tours of Six, Everybody's Talking About Jamie and Heathers . It has hosted some of the biggest names in comedy with Tom Davis, Tom Allen, Romesh Ranganathan, Jon Richardson and Stuart Lee, as well as nights with Jeff Stelling, Anton & Giavanni and Fascinating Aida. High quality music acts across all genres are popular and further choices of opera, drama, dance, and children's shows have seen an increase in the core audience base. The annual pantomime which is produced by the Kings is a favourite and drew a record attendance this year. This programme was complemented by six community shows, three produced by the Kings, and performances by local amateur dramatic societies and dance schools.

  With many shows playing to near full capacity (80 with audiences over 1000) the replacement of benches with new seating in the gallery has proved a worthwhile investment.

- IN-HOUSE PRODUCTIONS

The Kings started producing in 2020. It has produced its own pantomime for the last four seasons. This year its production of Hook: The Further Adventure of Peter Pan was watched by over 60,000 people over 50 performances. The pantomime is the highest gross earner in the year and is key to the theatre's financial resilience and independence. The pantomime will continue to be produced in-house.

Following on from its own community productions of Chitty Chitty Bang Bang and Little Shop of Horrors last year, the Kings produced Grease where 7991 people attended over 8 performances and "one-off" events, which included a commemoration for the 80th anniversary of D-Day, with proceeds going to charity.

These shows gave over 100 local performers the opportunity to work with a professional creative team and perform at the Kings. The Arts Academy also produced its own performance of Spongebob with 30 youth members having the opportunity to be on stage performing to 1,657 people over three shows.

- BUILDING AND TECHNICAL INVESTMENT

The Kings continued to invest in its technical infrastructure to meet the increasing demands of shows with higher production values. Upgrades during the year include: wireless communications; special effects (including geezers) and refurbishing the orchestra pit.

There has been significant investment in the building with over £800,000 invested in repairs to the East wall and elevation of the theatre. A significant portion of this cost was incurred by Portsmouth City Council. The Kings is also going through a program of upgrading its dressing rooms, gallery seating and toilet facilities.

- OUTREACH AND PARTICIPATION

Although constrained by space the Kings delivered 139 separate events as a part of its community and education programme. This allows the local community to enjoy the theatre outside of its show schedule and offers an introduction to the arts for some. The Kings now runs an established weekly coffee morning programme on a variety of themes; a Community Sing event - a weekly gathering for those that just love to sing; regular stroke association meetings; and a monthly Writers Hub.

The Kings welcomed over 92 people to its Heritage Open Day and >500 joined history, tech, toddler and ghost tours during the year. The Kings also hosted the Chinese New Year celebration which is the biggest UK celebration outside London.

A number of schools came for educational visits and over 1,000 schoolchildren and teachers attended the School Book Awards in June. A further 62 schools booked for the pantomime, with a total of 4910 attending.

- KINGS SCHOOL OF PERFORMING ARTS

Following its relaunch last year, The Kings renamed its youth theatre as The Kings School of Performing Art (KSPA) and developed plans to extend this to an >16 programme in the future. Over the year the Academy grew from 72 to 89 members. It increased its scholarship scheme to support participation from low-income families. Twelve participants benefited from the scheme. 32 members participated in the Academy's summer performance of Spongebob.

- INCLUSION

  The theatre promotes access and inclusion to ensure that its offering is made available to as wide an audience as possible. It participated in the Holidays and Food Scheme with 19 places being taken up in the school holidays for children ranging from 5-16 years old. It gave over 1,000 tickets to children and adults who would not normally have the financial means to attend the theatre, and is a sponsor of the local Council led City of Sanctuary. The coffee mornings are part of the local council scheme to tackle isolation and the mental health issues that can occur with this.

  The theatre participates In the Hidden Disabilities Sunflower scheme and provides interpreted performances and does a relaxed performance of the pantomime. The Front of House team are trained in Dementia Awareness.

  22 volunteers support our work and the delivery of activities.

- HISTORICAL COLLECTION

  As an independent theatre the Kings has a unique historical collection documenting its performance history. It has an active programme to preserve the archive. The archive is used by the theatre for exhibitions, history talks, social media posts and contributions to souvenir brochures. It can be accessed on request for historical research.

MANAGEMENT AND GOVERNANCE

- The trustees meet quarterly and have complete oversight of governance and finances.
- The Executive Board meets monthly and advises the Trust on compliance and governance issues.

FINANCES

- A surplus of £595,853 (2023: £579,581) was reported at the end of the financial year and the reserves stood at £2,447,099 (2023: £1,851,246).

RESERVES POLICY

The current reserves are in excess of the Trust's requirements (adopted from Feb 2023) for an unrestricted reserve of £1m. The Trustees are confident that this level of reserves will be maintained.

PAY POLICY FOR SENIOR STAFF

The Board of Directors, who are the Trust's Trustees, provide oversight and governance and the CEO and Executive Team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day-to-day basis.

All directors give their time freely and no director received remuneration in the year for their trustee responsibilities.

Details of all directors' remuneration and benefits are disclosed in note 9 to the accounts. The pay of senior staff is reviewed annually.

RISK MANAGEMENT

A Risk Register is run by the Trust. This identifies and assesses the business risks. It is reviewed every three months and updated as appropriate.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The trust is a company limited by guarantee governed by its Memorandums and Articles of Association. It is registered as a charity with Charity Commission.

Recruitment and appointment of new trustees

The directors of The Kings Theatre Trust Limited are also charity trustees for purpose of charity law.

Generally, no person other than a trustee retiring by rotation, shall be appointed or reappointed a trustee at any general meeting unless they are recommended by the trustees.

Induction and training of new trustees

Trustees are regularly briefed on their legal obligations and meet key employees and other trustees. They are regularly provided with management accounts, business plans and relevant governance documentation.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03983443 (England and Wales)

Registered Charity number

1088254

Registered office

The Kings Theatre
Albert Road
Southsea
Hampshire
PO5 2QJ

Trustees

R Hasker	
I Pratt	Resigned 21 July 2024
D Repton	
D T Gant	
Dr G Morgan	
R Peck	
P Woolf	Resigned 1 January 2025
Mrs P Prescott	
Cllr H L Mason	
Ms M Costa	Appointed 8 September 2023
G Quar	Appointed 11 June 2024

Chief Executive Officer

P Woolf	Resigned 31 January 2024
R Pearce	Appointed 31 January 2024

Auditors

Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers
Handelsbanken Plc
Ground Floor
1000 Lakeside
North Harbour
Western Road
Portsmouth
PO6 3EN

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

AUDITORS

The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 23-05-25 and signed on its behalf by:

.....
D Repton - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KINGS THEATRE TRUST LIMITED

Opinion
We have audited the financial statements of The Kings Theatre Trust Limited (the 'charitable company') for the year ended 31 August 2024 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 (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 August 2024 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KINGS THEATRE TRUST LIMITED

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 Report of the Trustees.

We have nothing to report in respect of the following matters where 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KINGS THEATRE TRUST LIMITED

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

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 Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KINGS THEATRE TRUST LIMITED

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 auditors' 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.



Paul Underwood (Senior Statutory Auditor)
for and on behalf of MC Audit Limited
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 27 May 2025

THE KINGS THEATRE TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds £	Designated Reserves £	Restricted funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	115,442	-	-	115,442	134,424
Charitable activities	4					
Operation of the theatre		2,524,754	410,128	-	2,934,882	2,436,391
Ancillary trading		525,291	-	-	525,291	488,309
Education		6,400	-	-	6,400	7,726
Investment income	3	111,655	-	-	111,655	41,476
Total		3,283,542	410,128	-	3,693,670	3,108,326
EXPENDITURE ON						
Charitable activities	5					
Operation of the theatre		2,925,743	-	-	2,925,743	2,370,042
Ancillary trading		172,074	-	-	172,074	158,703
Total		3,097,817	-	-	3,097,817	2,528,745
NET INCOME		185,725	410,128	-	595,853	579,581
Transfers between funds	22	4,539	-	(4,539)	-	-
Net movement in funds		190,264	410,128	(4,539)	595,853	579,581
RECONCILIATION OF FUNDS						
Total funds brought forward		1,363,233	483,474	4,539	1,851,246	1,271,665
TOTAL FUNDS CARRIED FORWARD		1,553,497	893,602	-	2,447,099	1,851,246

The notes form part of these financial statements

BALANCE SHEET
31 AUGUST 2024

	Notes	2024 £	2023 £
FIXED ASSETS			
Intangible assets	12	2,390	-
Tangible assets	13	384,125	293,150
		386,515	293,150
CURRENT ASSETS			
Stocks	14	10,207	19,095
Debtors	15	145,150	155,925
Cash at bank and in hand	16	3,750,690	2,970,682
		3,906,047	3,145,702
CREDITORS			
Amounts falling due within one year	17	(1,829,630)	(1,561,773)
NET CURRENT ASSETS		2,076,417	1,583,929
TOTAL ASSETS LESS CURRENT LIABILITIES		2,462,932	1,877,079
CREDITORS			
Amounts falling due after more than one year	18	(15,833)	(25,833)
NET ASSETS		2,447,099	1,851,246
FUNDS	22		
Unrestricted funds:			
General fund		1,553,497	1,363,233
Designated Building Restoration fund		893,602	483,474
		2,447,099	1,846,707
Restricted funds		-	4,539
TOTAL FUNDS		2,447,099	1,851,246

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 23-05-25 and were signed on its behalf by:

.....
D Repton - Trustee

The notes form part of these financial statements

THE KINGS THEATRE TRUST LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	846,759	1,203,326
Net cash provided by operating activities		846,759	1,203,326
Cash flows from investing activities			
Purchase of intangible fixed assets		(2,750)	-
Purchase of tangible fixed assets		(165,656)	(98,715)
Interest received		111,655	41,476
Net cash used in investing activities		(56,751)	(57,239)
Cash flows from financing activities			
Loan repayments in year		(10,000)	(120,240)
Net cash used in financing activities		(10,000)	(120,240)
Change in cash and cash equivalents in the reporting period		780,008	1,025,847
Cash and cash equivalents at the beginning of the reporting period		2,970,682	1,944,835
Cash and cash equivalents at the end of the reporting period		3,750,690	2,970,682

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2024

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net income for the reporting period (as per the Statement of Financial Activities)	595,853	579,581
Adjustments for:		
Depreciation charges	74,681	67,396
Interest received	(111,655)	(41,476)
Amortisation charges	360	-
Decrease/(increase) in stocks	8,888	(7,391)
Decrease/(increase) in debtors	10,775	(54,653)
Increase in creditors	267,857	659,869
Net cash provided by operations	846,759	1,203,326

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.23 £	Cash flow £	At 31.8.24 £
Net cash			
Cash at bank and in hand	2,970,682	780,008	3,750,690
	2,970,682	780,008	3,750,690
Debt			
Debts falling due within 1 year	(10,000)	-	(10,000)
Debts falling due after 1 year	(25,833)	10,000	(15,833)
	(35,833)	10,000	(25,833)
Total	2,934,849	790,008	3,724,857

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern
The trustee directors consider that there are no material uncertainties regarding the charitable company's ability to continue as a going concern.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from the box office is included net of the payments made to promoters.

Volunteers and donated services
The value of services provided by volunteers is not incorporated into these financial statements.

Where goods or services are provided to the charity as a donation that would normally be purchased from suppliers, these contributions are included in the financial statements at an estimate based on the value of the contribution to the charity.

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

Irrecoverable VAT
The Trust is partially exempt for the purpose of VAT and therefore irrecoverable VAT arising on some purchases is written off to the Statement of Financial Activities as it occurs.

Intangible fixed assets
Intangible fixed assets are amortised on a straight line basis over their estimated useful economic lives, which is considered to be 5 years.

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

Freehold property	-	2% on cost
Improvements to property	-	10% on cost
Plant and machinery	-	20% on cost
Fixtures and fittings	-	20% on cost
Computer equipment	-	33.33% on cost

Individual fixed assets costing £250 or more are capitalised at cost.

continued...

1. ACCOUNTING POLICIES - continued

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

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

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are set up when the trustees wish to allocate money to specific projects.

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

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

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments
The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis use for these financial instruments is detailed below.

Debtors
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank & in hand
Cash at bank and in hand includes cash held on deposit or in a current account.

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

continued...

2. DONATIONS AND LEGACIES

	2024	2023
	£	£
Donations and legacies	52,442	58,424
Grants	48,000	61,000
Donated services and facilities	15,000	15,000
	115,442	134,424

Donated services relate to IT services of £15,000 (2023: £15,000) provided to the charitable company without charge during the year.

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

	2024	2023
	£	£
Operational grants receivable	48,000	61,000

3. INVESTMENT INCOME

	2024	2023
	£	£
Deposit account interest	111,655	41,476

All investment income is derived from assets held in the United Kingdom.

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2024	2023
		£	£
Box office sales and recharges	Operation of the theatre	2,934,882	2,436,391
Ancillary Trading	Ancillary trading	525,291	488,309
Education and Youth income	Education	6,400	7,726
		3,466,573	2,932,426

The box office sales of £2,934,882 (2023: £2,436,391) represents the theatre's share of the total production income, after payments to promoters. The gross production income is £3,714,817 (2023: £3,028,321).

continued...

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Operation of the theatre	2,776,299	149,444	2,925,743
Ancillary trading	172,074	-	172,074
	2,948,373	149,444	3,097,817

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2024	2023
	£	£
Staff costs	1,276,899	1,127,023
Rates and water	19,414	15,433
Insurance	53,958	46,950
Light and heat	50,838	43,196
Bad debts	6,968	-
Sundries	14,805	7,962
Minor building Projects	43,462	43,477
Education costs	20,910	12,419
Training costs	5,344	8,445
Cleaning costs	31,612	27,023
Routine repairs	76,756	25,980
Irrecoverable VAT	107,022	77,033
Big project costs	785	3,961
Show production costs	664,338	449,354
Ancillary trading expenses	172,074	158,703
Technical and IT	46,113	49,043
Marketing	159,462	186,332
Bank charges	122,572	115,619
Depreciation	75,041	67,396
	2,948,373	2,465,349

7. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Operation of the theatre	58,702	90,742	149,444

continued...

7. SUPPORT COSTS - continued

Support costs, included in the above, are as follows:

Management

	2024 Operation of the theatre	2023 Total activities
	£	£
Telephone	12,987	17,507
Postage and stationery	5,335	5,077
Sundries	25,343	4,777
Health and Safety	15,037	8,497
	58,702	35,858

Governance costs

	2024 Operation of the theatre	2023 Total activities
	£	£
Auditors' remuneration	7,210	7,000
Accountancy and legal fees	83,532	20,538
	90,742	27,538

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2024	2023
	£	£
Auditors' remuneration	7,210	7,000
Depreciation - owned assets	74,681	64,165
Website costs amortisation	360	3,231

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustee's receiving remuneration or benefits (2023: Nil) during the year.

continued...

9. TRUSTEES' REMUNERATION AND BENEFITS - continued

Trustees' expenses

No trustees (2023: Nil) were reimbursed out of pocket expenses totalling £Nil (2023: £Nil) during the year.

10. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	1,150,363	1,038,158
Social security	105,312	71,535
Employers pension costs	21,224	17,330
	1,276,899	1,127,023

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

	2024	2023
Administrative staff	12	11
Operational staff	87	85
	99	96

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
£60,001 - £70,000	1	1

Key Management Personnel
The key management personnel of the charitable company comprises the Head of Tech and Facilities, the Artistic Director and the Head of People and Culture. The total consideration paid and employee remuneration and benefits of the key management personnel of the charity was £190,032 (2023: £157,665).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Designated Reserves	Restricted funds	Total funds
	£	£	£	£
INCOME AND ENDOWMENTS FROM				
Donations and legacies	134,424	-	-	134,424
Charitable activities				
Operation of the theatre	2,145,905	290,486	-	2,436,391
Ancillary trading	488,309	-	-	488,309
Education	7,726	-	-	7,726
Investment income	41,476	-	-	41,476
Total	2,817,840	290,486	-	3,108,326
EXPENDITURE ON				

continued...

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Designated Reserves £	Restricted funds £	Total funds £
Charitable activities				
Operation of the theatre	2,369,691	-	351	2,370,042
Ancillary trading	158,703	-	-	158,703
Total	2,528,394	-	351	2,528,745
NET INCOME/(EXPENDITURE)	289,446	290,486	(351)	579,581
RECONCILIATION OF FUNDS				
Total funds brought forward	1,073,787	192,988	4,890	1,271,665
TOTAL FUNDS CARRIED FORWARD	1,363,233	483,474	4,539	1,851,246

12. INTANGIBLE FIXED ASSETS

	Website costs £
COST	
At 1 September 2023	24,230
Additions	2,750
At 31 August 2024	26,980
AMORTISATION	
At 1 September 2023	24,230
Charge for year	360
At 31 August 2024	24,590
NET BOOK VALUE	
At 31 August 2024	2,390
At 31 August 2023	-

continued...

13. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 September 2023	141,783	77,069	1,892
Additions	-	84,597	-
At 31 August 2024	141,783	161,666	1,892
DEPRECIATION			
At 1 September 2023	31,208	50,748	1,323
Charge for year	2,835	10,993	378
At 31 August 2024	34,043	61,741	1,701
NET BOOK VALUE			
At 31 August 2024	107,740	99,925	191
At 31 August 2023	110,575	26,321	569

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 September 2023	293,656	60,956	575,356
Additions	74,748	6,311	165,656
At 31 August 2024	368,404	67,267	741,012
DEPRECIATION			
At 1 September 2023	151,789	47,138	282,206
Charge for year	53,827	6,648	74,681
At 31 August 2024	205,616	53,786	356,887
NET BOOK VALUE			
At 31 August 2024	162,788	13,481	384,125
At 31 August 2023	141,867	13,818	293,150

continued...

14. STOCKS

	2024	2023
	£	£
Stocks	10,207	19,095

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade debtors	28,452	56,487
Other debtors	91,622	83,766
VAT	25,076	15,672
	145,150	155,925

16. CASH AT BANK AND IN HAND

Within the cash balance of £3,750,690 (2023: £2,970,682) is £1,433,956 (2023: £1,332,575) ring fenced in respect of advanced ticket sales.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Bank loans and overdrafts (see note 19)	10,000	10,000
Trade creditors	25,904	59,605
Social security and other taxes	19,257	19,995
Other creditors	340,513	139,598
Deferred income	1,433,956	1,332,575
	1,829,630	1,561,773

Deferred income represents income received in advance for tickets for shows in the next financial year.

	2024	2023
	£	£
Brought forward	1,332,575	651,162
Amount released to incoming resources	(3,864,262)	(3,059,876)
Amount deferred in year	3,965,643	3,741,289
Carried forward	1,433,956	1,332,575

continued...

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Bank loans (see note 19)	15,833	25,833

19. LOANS

An analysis of the maturity of loans is given below:

	2024	2023
	£	£
Amounts falling due within one year on demand:		
Bank loans	10,000	10,000
Amounts falling due between two and five years:		
Bank loans - 2-5 years	15,833	25,833

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024	2023
	£	£
Within one year	1,308	-
Between one and five years	4,251	-
	5,559	-

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Designated Reserves	Restricted funds	2024 Total funds	2023 Total funds
	£	£	£	£	£
Fixed assets	386,515	-	-	386,515	293,150
Current assets	3,012,445	893,602	-	3,906,047	3,145,702
Current liabilities	(1,829,630)	-	-	(1,829,630)	(1,561,773)
Long term liabilities	(15,833)	-	-	(15,833)	(25,833)
	1,553,497	893,602	-	2,447,099	1,851,246

continued...

22. MOVEMENT IN FUNDS

	At 1.9.23 £	Net movement in funds £	Transfers between funds £	At 31.8.24 £
Unrestricted funds				
General fund	1,363,233	185,725	4,539	1,553,497
Designated Building Restoration fund	483,474	410,128	-	893,602
	1,846,707	595,853	4,539	2,447,099
Restricted funds				
Feasibility study	4,539	-	(4,539)	-
TOTAL FUNDS	1,851,246	595,853	-	2,447,099

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,283,542	(3,097,817)	185,725
Designated Building Restoration fund	410,128	-	410,128
	3,693,670	(3,097,817)	595,853
TOTAL FUNDS	3,693,670	(3,097,817)	595,853

Comparatives for movement in funds

	At 1.9.22 £	Net movement in funds £	At 31.8.23 £
Unrestricted funds			
General fund	1,073,787	289,446	1,363,233
Designated Building Restoration fund	192,988	290,486	483,474
	1,266,775	579,932	1,846,707
Restricted funds			
Development Project Fund	351	(351)	-
Feasibility study	4,539	-	4,539
	4,890	(351)	4,539
TOTAL FUNDS	1,271,665	579,581	1,851,246

continued...

22. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,817,840	(2,528,394)	289,446
Designated Building Restoration fund	290,486	-	290,486
	3,108,326	(2,528,394)	579,932
Restricted funds			
Development Project Fund	-	(351)	(351)
TOTAL FUNDS	3,108,326	(2,528,745)	579,581

Building Restoration Fund
This is a designated unrestricted fund to be used for the continued repair and restoration of the theatre.

Development Project Fund
This fund relates to the proposed Development Project to take the development of the theatre forward over the next 5 years.

Transfers between funds

Transfers between funds are made to cover the shortfall on restricted funds.

23. EMPLOYEE BENEFIT OBLIGATIONS

The charitable company operates a defined contribution scheme. The costs to the charitable company for the year was £21,224 (2023: £17,330). At the year end the charitable company owed £3,750 (2023: £3,652) to the scheme.

24. CAPITAL COMMITMENTS

During the year the charitable company made a financial commitment to Visual Digital Ltd for the design of a new website for the theatre. A total of £11,000 was committed to.

An initial invoice was received from Visual Digital Ltd for £2,750 on the 5th January 2024. Therefore the remaining commitment at the year end was £8,250.

continued...

25. RELATED PARTY DISCLOSURES

During the year, the Trust hired lighting equipment and made purchases totalling £406 (2023: £52) from ITP Lighting Limited, a business partly owned by former trustee, I Pratt. At the year end, the Trust owed £nil (2023: £nil) to ITP Lighting. These transactions were on an arm's length commercial basis.

26. ULTIMATE CONTROLLING PARTY

The charitable company is not under the control of another entity or any one individual.

27. LEGAL STATUS OF THE CHARITABLE COMPANY

The charity is a company limited by guarantee and has no share capital. The maximum liability of each member in the event of winding up is limited to £10.

28. SUBSEQUENT EVENT

On 30 April 2025, The Kings Theatre Trust Limited became the sole member of The New Theatre Royal – Trustees (Portsmouth) Limited, effectively bringing the operations of the two theatres under common control. The merger forms part of a strategic initiative to strengthen and enhance cultural offerings within the city of Portsmouth.

As the transaction occurred after the year end, it is treated as a non-adjusting subsequent event. Accordingly, the financial effects of the merger have not been reflected in these financial statements.

The trustees will assess and report the financial and operational implications of the merger in the financial statements for the year ending 31 August 2025.

THE KINGS THEATRE TRUST LIMITED

England & Wales - Charity number 1088254

Accounts

REGISTERED COMPANY NUMBER: 03983443 (England and Wales)
REGISTERED CHARITY NUMBER: 1088254

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

FOR

THE KINGS THEATRE TRUST LIMITED

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

The objective of the charity is to provide high quality entertainment at affordable prices; deliver opportunities for the local community to participate in the arts through social and cultural activities; and be responsible custodians of the Grade II* listed building with a maintenance and restoration programme.

PUBLIC BENEFIT

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The Trustees refer to public benefit throughout this report.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

ACHIEVEMENT AND PERFORMANCE

This report sets out the achievements of the Kings Theatre Trust Limited from September 2022 to August 2023.

The financial year 22/23 has been a period of rebirth and growth for the Kings. It has emerged fully from the pandemic in a stronger position than it was in 2019, with better programming, increased audience figures, a now established producing arm, and a relaunch of its Arts Academy.

Good attendance at shows has allowed the theatre to build up revenue. The surpluses generated from its ticket sales, restoration levy and ancillary sales, after covering operating costs, is used to create opportunities to participate in creativity and the enjoyment of the arts with the production of its community shows, the delivery of its community and outreach programme, and by subsidising its Arts Academy and the scholarship scheme. The Kings is committed to providing affordable theatre and has introduced subsidised £10 tickets in the gallery for internal productions and endeavours to put on shows at reasonable prices. Surpluses are also put into maintaining all that is needed to deliver a high-quality theatre experience, including auditorium repairs, the upgrade of stage and technical equipment, and maintenance of the building and preservation of its historical collection.

The theatre makes a positive impact to the local economy and employment. Over the year it employed 31 contracted staff and 99 casual staff. Furthermore, local shops, bars, restaurants, travel firms and businesses benefit from the increased footfall to the area.

The challenges the Kings faces going forward include the lack of suitable space to expand its community and outreach offering, making the necessary changes to improve accessibility, and upgrading public areas and facilities in the theatre to meet the needs of modern audiences. The theatre is built around three shops that are now dilapidated, and it is hoped this space can be redeveloped and incorporated into the theatre to meet the needs of the theatre and rejuvenate the high street.

My thanks go to all the Trustees and the Executive Board for their support over the last year, and I want to express enormous gratitude to all the staff and volunteers who have delivered the activities and contributed to the successes and achievements.

ACHIEVEMENTS IN 2022/23

- PROGRAMMING AND AUDIENCES

  The programming policy is to have a broad appeal to people living in Portsmouth and the local region. The customer database increased by 17% during the year, in which there were 72 shows with 146,182 attending performances across 192 live performances of the shows, and three screenings. The quality of shows is reflected in the many published reviews, willingness of producers to work with the Kings, and in feedback from customers.

  Week longs have included national tours of Mamma Mia!, Strictly Ballroom and The Rocky Horror Show. It has hosted some of the biggest names in comedy with Kevin Bridges, Sarah Pascoe, Russell Kane, Rob Beckett and Josh Widdicombe, as well as nights hosting the presenter Ben Fogel, and cricket pundits Jonathan Agnew and Phil Tufnell. High quality music acts across all genres are popular and further choices of opera, drama, dance, and children's shows have seen an increase in the core audience base. The annual pantomime which is produced by the Kings is a favourite and drew a record attendance this year. This programme was complemented by ten community shows, three produced by the Kings, and performances by local amateur dramatic societies and dance schools.

  With many shows playing to near full capacity (52 with audiences over 1000 and 11 completely sold out), and c.11,000 people sitting in the Gallery during the year, renovations to this tier have begun including numbered seating and improved facilities. More work is planned on this tier in the following year to accommodate growing audience numbers and requirements.

- IN-HOUSE PRODUCTIONS

The Kings started producing in 2020. It has produced its own pantomime for the last three seasons. This year its production of Cinderella was watched by 46,341 people over 52 performances. The pantomime is the highest gross earner in the year and is key to the theatre's financial resilience and independence. The pantomime will continue to be produced in-house.

Following on from its own community production of Titanic the Musical last year it went on to produce two this year, the first being Chitty Chitty Bang Bang where 10,393 people attended over eight performances and Little Shop of Horrors with 2,788 people attending over six performances.

These shows gave 60 local performers the opportunity to work with a professional creative team and perform at the Kings. The Arts Academy also produced its own performance of Footloose with 64 youth members having the opportunity to be on stage performing to 740 people over two shows.

- TECHNICAL INVESTMENT

The year has allowed the Kings to invest in its technical infrastructure to meet the demands of incoming producers and its own productions. It has upgraded its sound equipment with a new PA to a West End standard; installed a new advance truss to improve the facility for incoming tours; invested in a new projector and back up lighting console; and upgraded computer hardware to allow better use of industry standard programs.

- OUTREACH AND PARTICIPATION

Although constrained by space the Kings delivered 133 separate events as a part of its community and education programme. This allows the local community to enjoy the theatre outside of its show schedule and offers an introduction to the arts for some. The Kings now runs an established weekly coffee morning programme on a variety of themes; a Community Sing event - a weekly gathering for those that just love to sing; and a monthly Writers Hub. Hub.

The Kings welcomed over 83 people to its Heritage Open Day and 514 joined history, tech, toddler and ghost tours. The Kings also hosted the Chinese New Year celebration which is the biggest UK celebration outside London.

Two local schools came for educational visits and 1,100 schoolchildren and teachers attended the School Book Awards in June. A further 42 schools booked for the pantomime, with a total of 4021 attending.

- KINGS THEATRE ARTS ACADEMY

The Kings relaunched its youth theatre as The Kings Theatre Arts Academy (KTAA) in September 2022 as an umbrella for all youth arts programmes and has plans to extend this to an adult programme in the future. Over the year the Academy grew from 55 to 72 members. It introduced a scholarship scheme to support participation from low-income families. Nine participants benefited from the scheme. 64 members participated in the Academy's summer performance of Footloose and the older members in the National Theatre initiative Connections.

- INCLUSION

The theatre promotes access and inclusion to ensure that its offering is made available to as wide an audience as possible. It participated in the Holidays and Food Scheme with 44 places being taken up in the school holidays for children ranging from 5-16 years old. It gave over 1603 tickets for the pantomime to children and adults who would not normally have the financial means to attend the theatre, and is a sponsor of the local Council led City of Sanctuary. The coffee mornings are part of the local council scheme to tackle isolation and the mental health issues that can occur with this.

The theatre participates in the Hidden Disabilities Sunflower scheme and provided five interpreted performances and does a relaxed performance of the pantomime. The Front of House team are trained in Dementia Awareness.

19 volunteers support our work and the delivery of activities.

- HISTORICAL COLLECTION

As an independent theatre the Kings has a unique historical collection documenting its performance history. It has started an active programme to preserve the archive. In the year it has digitised over 1800 items to increase access and has started to transfer original items to archival quality conservation boxes. It is also managing electronic business records. The archive is used by the theatre for exhibitions, history talks, social media posts and contributions to souvenir brochures. It can be accessed on request for historical research.

MANAGEMENT AND GOVERNANCE

- The trustees meet quarterly and have complete oversight of governance and finances.
- The Executive Board meets monthly and advises the Trust on compliance and governance issues.

FINANCES

- A surplus of £579,581 (2022: £827,793) was reported at the end of the financial year and the reserves stood at £1,851,246 (2022: £1,271,665).
- At the year end the total of restricted funds were £4,539 (2022: £4,890).

RESERVES POLICY

The current reserves are in excess of the Trust's requirements (adopted from Feb 2023) for an unrestricted reserve of £1m. The Trustees are confident that this level of reserves will be maintained.

PAY POLICY FOR SENIOR STAFF

The Board of Directors, who are the Trust's Trustees, provide oversight and governance and the CEO and Executive Team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day-to-day basis.

All directors give their time freely and no director received remuneration in the year for their trustee responsibilities.

- One director acts as CEO on a voluntary basis.

Details of all directors' remuneration and benefits are disclosed in note 9 to the accounts. The pay of senior staff is reviewed annually.

RISK MANAGEMENT

A Risk Register is run by the Trust. This identifies and assesses the business risks. It is reviewed every three months and updated as appropriate.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The trust is a company limited by guarantee governed by its Memorandums and Articles of Association. It is registered as a charity with Charity Commission.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The directors of The Kings Theatre Trust Limited are also charity trustees for purpose of charity law.

Generally, no person other than a trustee retiring by rotation, shall be appointed or reappointed a trustee at any general meeting unless they are recommended by the trustees.

Induction and training of new trustees

Trustees are regularly briefed on their legal obligations and meet key employees and other trustees. They are regularly provided with management accounts, business plans and relevant governance documentation.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03983443 (England and Wales)

Registered Charity number

1088254

Registered office

The Kings Theatre
Albert Road
Southsea
Hampshire
PO5 2QJ

Trustees

R Hasker	
I Pratt	
D Repton	
D T Gant	
Dr G Morgan	
R Peck	
P Woolf	
Mrs P Prescott	
W M Taylor	Resigned 21 June 2023
Cllr H L Mason	Appointed 13 July 2023
Ms M Costa	Appointed 8 September 2023 - post year end

Chief Executive Officer

P Woolf	Resigned 31 January 2024 - post year end
R Pearce	Appointed 31 January 2024 - post year end

Auditors

Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers
Handelsbanken Plc
Ground Floor
1000 Lakeside
North Harbour
Western Road
Portsmouth
PO6 3EN

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

AUDITORS

The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 10 May 2024 and signed on its behalf by:

.....
D Repton - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KINGS THEATRE TRUST LIMITED

Opinion

We have audited the financial statements of The Kings Theatre Trust Limited (the 'charitable company') for the year ended 31 August 2023 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 (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 August 2023 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

We have nothing to report in respect of the following matters where 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

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 Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KINGS THEATRE TRUST LIMITED

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 auditors' 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.



Paul Underwood (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 13 May 2024

THE KINGS THEATRE TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £	Designated Reserves £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	134,424	-	-	134,424	351,698
Charitable activities	4					
Operation of the theatre		2,145,905	290,486	-	2,436,391	1,912,668
Ancillary trading		488,309	-	-	488,309	405,437
Education		7,726	-	-	7,726	3,977
Investment income	3	41,476	-	-	41,476	19
Total		2,817,840	290,486	-	3,108,326	2,673,799
EXPENDITURE ON						
Charitable activities	5					
Operation of the theatre		2,369,691	-	351	2,370,042	1,639,402
Ancillary trading		158,703	-	-	158,703	103,779
Theatre restoration		-	-	-	-	87,916
Education		-	-	-	-	13,909
Total		2,528,394	-	351	2,528,745	1,845,006
NET INCOME/(EXPENDITURE)		289,446	290,486	(351)	579,581	828,793
RECONCILIATION OF FUNDS						
Total funds brought forward		1,073,787	192,988	4,890	1,271,665	442,872
TOTAL FUNDS CARRIED FORWARD		1,363,233	483,474	4,539	1,851,246	1,271,665

The notes form part of these financial statements

BALANCE SHEET
31 AUGUST 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Intangible assets	12	-	3,231
Tangible assets	13	293,150	258,600
		293,150	261,831
CURRENT ASSETS			
Stocks	14	19,095	11,704
Debtors	15	155,925	101,272
Cash at bank and in hand	16	2,970,682	1,944,835
		3,145,702	2,057,811
CREDITORS			
Amounts falling due within one year	17	(1,561,773)	(910,735)
NET CURRENT ASSETS		1,583,929	1,147,076
TOTAL ASSETS LESS CURRENT LIABILITIES		1,877,079	1,408,907
CREDITORS			
Amounts falling due after more than one year	18	(25,833)	(137,242)
NET ASSETS		1,851,246	1,271,665
FUNDS	21		
Unrestricted funds:			
General fund		1,363,233	1,073,787
Designated Building Restoration fund		483,474	192,988
		1,846,707	1,266,775
Restricted funds		4,539	4,890
TOTAL FUNDS		1,851,246	1,271,665

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 10 May 2024 and were signed on its behalf by:

D Repton - Trustee

The notes form part of these financial statements

THE KINGS THEATRE TRUST LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	1,203,326	601,912
Net cash provided by operating activities		1,203,326	601,912
Cash flows from investing activities			
Purchase of tangible fixed assets		(98,715)	(74,920)
Interest received		41,476	19
Net cash used in investing activities		(57,239)	(74,901)
Cash flows from financing activities			
Loan repayments in year		(120,240)	(156,073)
Net cash used in financing activities		(120,240)	(156,073)
Change in cash and cash equivalents in the reporting period		1,025,847	370,938
Cash and cash equivalents at the beginning of the reporting period		1,944,835	1,573,897
Cash and cash equivalents at the end of the reporting period		2,970,682	1,944,835

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2023

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net income for the reporting period (as per the Statement of Financial Activities)	579,581	828,793
Adjustments for:		
Depreciation charges	67,396	73,455
Loss on disposal of fixed assets	-	7,542
Interest received	(41,476)	(19)
Increase in stocks	(7,391)	(2,605)
Increase in debtors	(54,653)	(10,645)
Increase/(decrease) in creditors	659,869	(294,609)
Net cash provided by operations	1,203,326	601,912

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.22 £	Cash flow £	At 31.8.23 £
Net cash			
Cash at bank and in hand	1,944,835	1,025,847	2,970,682
	1,944,835	1,025,847	2,970,682
Debt			
Debts falling due within 1 year	(18,831)	8,831	(10,000)
Debts falling due after 1 year	(137,242)	111,409	(25,833)
	(156,073)	120,240	(35,833)
Total	1,788,762	1,146,087	2,934,849

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern
The trustee directors consider that there are no material uncertainties regarding the charitable company's ability to continue as a going concern.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from the box office is included net of the payments made to promoters.

Volunteers and donated services
The value of services provided by volunteers is not incorporated into these financial statements.

Where goods or services are provided to the charity as a donation that would normally be purchased from suppliers, these contributions are included in the financial statements at an estimate based on the value of the contribution to the charity.

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

Irrecoverable VAT
The Trust is partially exempt for the purpose of VAT and therefore irrecoverable VAT arising on some purchases is written off to the Statement of Financial Activities as it occurs.

Intangible fixed assets
Intangible fixed assets are amortised on a straight line basis over their estimated useful economic lives, which is considered to be 5 years.

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

Freehold property	- 2% on cost
Improvements to property	- 10% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33.33% on cost

Individual fixed assets costing £250 or more are capitalised at cost.

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

continued...

1. ACCOUNTING POLICIES - continued

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

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are set up when the trustees wish to allocate money to specific projects.

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

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

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments
The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis use for these financial instruments is detailed below.

Debtors and cash at bank & in hand
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and in hand includes cash held on deposit or in a current account.

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

2. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations and legacies	58,424	28,120
Grants	61,000	308,578
Donated services and facilities	15,000	15,000
	134,424	351,698

Donated services relate to IT services of £15,000 (2022: £15,000) provided to the charitable company without charge during the year.

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

	2023	2022
	£	£
Operational grants receivable	61,000	308,578

continued...

3. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	41,476	19

All investment income is derived from assets held in the United Kingdom.

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023	2022
		£	£
Box office sales and recharges	Operation of the theatre	2,436,391	1,912,668
Ancillary Trading	Ancillary trading	488,309	405,437
Education and Youth income	Education	7,726	3,977
		2,932,426	2,322,082

The box office sales of £2,436,391 (2022: £1,905,131) represents the theatre's share of the total production income, after payments to promoters. The gross production income is £3,028,321 (2022: 2,798,818).

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Operation of the theatre	2,306,646	63,396	2,370,042
Ancillary trading	158,703	-	158,703
	2,465,349	63,396	2,528,745

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023	2022
	£	£
Staff costs	1,127,023	919,532
Rates and water	15,433	2,767
Insurance	46,950	25,078
Light and heat	43,196	52,519
Sundries	7,962	6,375
Minor building Projects	43,477	59,779
Education costs	12,419	13,909
Training costs	8,445	2,363
Cleaning costs	27,023	20,944
Routine repairs	25,980	23,497
Irrecoverable VAT	77,033	10,087
Big project costs	3,961	4,640
Show production costs	449,354	233,732
Ancillary trading expenses	158,703	103,779
Technical and IT	49,043	47,394
Marketing	186,332	95,490
Bank charges	115,619	70,234
Depreciation	67,396	73,453
	2,465,349	1,765,572

continued...

7. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Operation of the theatre	35,858	27,538	63,396

Support costs, included in the above, are as follows:

Management

	2023 Operation of the theatre	2022 Total activities
	£	£
Telephone	17,507	16,839
Postage and stationery	5,077	3,690
Sundries	4,777	17,974
Health and Safety	8,497	6,670
Loss on sale of tangible fixed assets	-	7,544
	35,858	52,717

Governance costs

	2023 Operation of the theatre	2022 Total activities
	£	£
Auditors' remuneration	7,000	4,850
Accountancy and legal fees	20,538	21,867
	27,538	26,717

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Auditors' remuneration	7,000	4,850
Depreciation - owned assets	64,165	68,609
Deficit on disposal of fixed assets	-	7,544
Website costs amortisation	3,231	4,846

continued...

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustee's receiving remuneration or benefits during the year.

Trustees' expenses

No trustees were reimbursed out of pocket expenses during the year.

10. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	1,038,158	848,892
Social security	71,535	57,394
Employers pension costs	17,330	13,246
Redundancies	-	-
	1,127,023	919,532

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

	2023	2022
Administrative staff	9	9
Operational staff	25	27
	34	36

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
£60,001 - £70,000	1	-

Included within wages and salaries costs is a statutory redundancy payment totalling £nil (2022: £1,632) paid to nil (2022: one) employees on the termination of their employment contract with the charitable company.

Key Management Personnel
The key management personnel of the charitable company comprises the General Manager, Artistic Director and the People, Communication and Community Manager. The total consideration paid and employee remuneration and benefits of the key management personnel of the charity was £157,665 (2022: £159,152).

continued...

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Designated Reserves £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	351,698	-	-	351,698
Charitable activities				
Operation of the theatre	1,912,668	-	-	1,912,668
Ancillary trading	405,437	-	-	405,437
Education	3,977	-	-	3,977
Investment income	19	-	-	19
Total	2,673,799	-	-	2,673,799
EXPENDITURE ON				
Charitable activities				
Operation of the theatre	1,628,525	-	10,877	1,639,402
Ancillary trading	103,779	-	-	103,779
Theatre restoration	83,276	-	4,640	87,916
Education	13,909	-	-	13,909
Total	1,829,489	-	15,517	1,845,006
NET INCOME/(EXPENDITURE)	844,310	-	(15,517)	828,793
RECONCILIATION OF FUNDS				
Total funds brought forward	229,477	192,988	20,407	442,872
TOTAL FUNDS CARRIED FORWARD	1,073,787	192,988	4,890	1,271,665

12. INTANGIBLE FIXED ASSETS

	Website costs £
COST	
At 1 September 2022 and 31 August 2023	24,230
AMORTISATION	
At 1 September 2022	20,999
Charge for year	3,231
At 31 August 2023	24,230
NET BOOK VALUE	
At 31 August 2023	-
At 31 August 2022	3,231

continued...

13. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 September 2022	141,783	72,163	1,892
Additions	-	4,906	-
At 31 August 2023	141,783	77,069	1,892
DEPRECIATION			
At 1 September 2022	28,372	43,252	945
Charge for year	2,836	7,496	378
At 31 August 2023	31,208	50,748	1,323
NET BOOK VALUE			
At 31 August 2023	110,575	26,321	569
At 31 August 2022	113,411	28,911	947

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 September 2022	213,413	47,390	476,641
Additions	80,243	13,566	98,715
At 31 August 2023	293,656	60,956	575,356
DEPRECIATION			
At 1 September 2022	112,058	33,414	218,041
Charge for year	39,731	13,724	64,165
At 31 August 2023	151,789	47,138	282,206
NET BOOK VALUE			
At 31 August 2023	141,867	13,818	293,150
At 31 August 2022	101,355	13,976	258,600

14. STOCKS

	2023 £	2022 £
Stocks	19,095	11,704

continued...

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	56,487	26,834
Other debtors	83,766	74,438
VAT	15,672	-
	155,925	101,272

16. CASH AT BANK AND IN HAND

Within the cash balance of £2,970,682 (2022: £1,944,835) is £1,332,575 (2022: £651,162) ring fenced in respect of advanced ticket sales.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 19)	10,000	18,831
Trade creditors	59,605	90,658
Social security and other taxes	19,995	14,984
VAT	-	3,834
Other creditors	1,472,173	782,428
	1,561,773	910,735

Deferred income represents income received in advance for tickets for shows in the next financial year.

	2023	2022
	£	£
Brought forward	651,162	1,062,823
Amount released to incoming resources	(627,349)	(1,030,474)
Amount deferred in year	1,308,762	618,813
Carried forward	1,332,575	651,162

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Bank loans (see note 19)	25,833	137,242

SECURED DEBTS

The charitable company has a bank loan with a total balance of £nil as at 31 August 2023 (2022: £110,240) which is secured against 28 Albert Road, Southsea.

continued...

19. LOANS

An analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year on demand:		
Bank loans	10,000	18,831
Amounts falling due between two and five years:		
Bank loans - 2-5 years	25,833	75,240
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans after more than 5 years	-	62,002

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Designated Reserves £	Restricted funds £	2023 Total funds £	2022 Total funds £
Fixed assets	293,150	-	-	293,150	261,831
Current assets	2,657,689	483,474	4,539	3,145,702	2,057,811
Current liabilities	(1,561,773)	-	-	(1,561,773)	(910,735)
Long term liabilities	(25,833)	-	-	(25,833)	(137,242)
	1,363,233	483,474	4,539	1,851,246	1,271,665

21. MOVEMENT IN FUNDS

	At 1.9.22 £	Net movement in funds £	At 31.8.23 £
Unrestricted funds			
General fund	1,073,787	289,446	1,363,233
Designated Building Restoration fund	192,988	290,486	483,474
	1,266,775	579,932	1,846,707
Restricted funds			
Development Project Fund	351	(351)	-
Feasibility study	4,539	-	4,539
	4,890	(351)	4,539
TOTAL FUNDS	1,271,665	579,581	1,851,246

continued...

21. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,817,840	(2,528,394)	289,446
Designated Building Restoration fund	290,486	-	290,486
	3,108,326	(2,528,394)	579,932
Restricted funds			
Development Project Fund	-	(351)	(351)
TOTAL FUNDS	3,108,326	(2,528,745)	579,581

Comparatives for movement in funds

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
General fund	229,477	844,310	1,073,787
Designated Building Restoration fund	192,988	-	192,988
	422,465	844,310	1,266,775
Restricted funds			
Development Project Fund	15,868	(15,517)	351
Feasibility study	4,539	-	4,539
	20,407	(15,517)	4,890
TOTAL FUNDS	442,872	828,793	1,271,665

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,673,799	(1,829,489)	844,310
Restricted funds			
Development Project Fund	-	(15,517)	(15,517)
TOTAL FUNDS	2,673,799	(1,845,006)	828,793

Building Restoration Fund
This is a designated unrestricted fund to be used for the continued repair and restoration of the theatre.

continued...

21. MOVEMENT IN FUNDS - continued

Development Project Fund
This fund relates to the proposed Development Project to take the development of the theatre forward over the next 5 years.

22. EMPLOYEE BENEFIT OBLIGATIONS

The charitable company operates a defined contribution scheme. The costs to the charitable company for the year was £17,330 (2022: £13,246). At the year end the charitable company owed £3,652 (2022: £nil) to the scheme.

23. CAPITAL COMMITMENTS

	2023	2022
	£	£
Contracted but not provided for in the financial statements	-	57,704

24. RELATED PARTY DISCLOSURES

During the year, the Trust hired lighting equipment and made purchases totalling £52 (2022: £756) from ITP Lighting Limited, a business partly owned by a trustee, I Pratt. At the year end, the Trust owed £nil (2022: £nil) to ITP Lighting. These transactions were on an arm's length commercial basis.

25. ULTIMATE CONTROLLING PARTY

The charitable company is not under the control of another entity or any one individual.

26. LEGAL STATUS OF THE CHARITABLE COMPANY

The charity is a company limited by guarantee and has no share capital. The maximum liability of each member in the event of winding up is limited to £10.

THE KINGS THEATRE TRUST LIMITED

England & Wales - Charity number 1088254

Accounts

REGISTERED COMPANY NUMBER: 03983443 (England and Wales)
REGISTERED CHARITY NUMBER: 1088254

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

FOR

THE KINGS THEATRE TRUST LIMITED

THE KINGS THEATRE TRUST LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

The objective of the charity is to provide high quality entertainment at affordable prices; deliver opportunities for the local community to participate in the arts through social and cultural activities; and be responsible custodians of the Grade II* listed building with a maintenance and restoration programme.

PUBLIC BENEFIT

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022

ACHIEVEMENT AND PERFORMANCE

This report sets out the achievements of the Kings Theatre Trust from September 2021 to August 2022.

The theatre was closed from December 2020 to August 2021 to comply with public health laws and guidelines. During the first quarter of this financial period (01/09/21-30/11/21) the theatre quickly re-established its programme with 40 performances, prepared for its internally produced pantomime, and reinvigorated its community events and youth theatre.

During this year the theatre was the beneficiary of support from the Cultural Recovery Fund (CRF), a fund set up by the Arts Council England to support cultural institutions through the pandemic, receiving 30% of an award as final payment for CRF 2 and being awarded funds from CRF 3. The Theatre also received grant income from the local authority and payments from the Government Job Retention Scheme for September 2021.

ACHIEVEMENTS IN 2021/22

- ATTENDANCE: In total, approx. 120,000 people attended performances in the main auditorium during the year across 150 performances. The theatre had a high-quality programme. In the year 22 shows performed to near capacity audiences including the comedians, Michael McIntyre, Alan Carr, Jack Dee and Romesh Ranganathan; the entertainer Giovanni Pernice; the celebrated musicians Nick Cave and Warren Ellis; and during performances of the weeklong show We Will Rock You and the pantomime.

  These attendance numbers offer considerable opportunity to the local economy with bars, restaurants and businesses benefitting from people visiting the theatre.

- PRODUCTIONS: Notable successes included the Kings Theatre establishing itself as a producer, staging two of its own productions - Jack and The Beanstalk, its professional annual pantomime and Titanic: The Musical, a community production that gave local non-professional actors the opportunity to work with a professional creative team and perform at The Kings.++Jack and The Beanstalk - 32,625 people attended over 56 performances.Titanic The Musical - 3,972 people attended over 7 performances.
- KONNECT: The theatre re-established its community and education outreach programme (Konnect) that had suffered over the pandemic. This allowed the local community to enjoy the theatre outside of its show schedule and offers an introduction to the arts for some. It welcomed over 200 people to Open Days and approximately 480 joined technical, history and special interest tours. Furthermore, it set up a Writers Hub, and held coffee mornings with over 38 events across the year.

  The Kings made great efforts in this period in particular to link the theatre and its history to the national curriculum. 270 schoolchildren came to the theatre for educational purposes and the theatre participated in careers events exposing 400 students to possible careers in the theatre and the arts.

- YOUTH THEATRE: The Kings Youth Theatre (KYT) ended the year with 42 participants doubling in size from the Autumn Term. Three bursaries were supported by the theatre to support participation from low-income families. 36 participants performed in the junior and intermediate summer performances, nine receiving bursaries. In the Spring/Summer 2022, KYT collaborated with the Hampshire and Isle of Wight Wildlife Trust and The Octopus Story Project for 'Save Our Seas', and participated in the 'World Ocean Day'.

- INCLUSION: The theatre promoted access and inclusion to ensure that its offering was made available to as wide an audience as possible. It participated in the Holidays and Food Scheme with 20 children coming in the December and 10 in the Spring breaks. It gave over 1050 tickets for the pantomime to children and adults who would not normally have the financial means to attend the theatre and is a sponsor of the local Council led City of Sanctuary. The coffee mornings are part of the council scheme to tackle isolation and the mental health issues that can occur with this.

The theatre participates in the Hidden Disabilities Sunflower scheme and provides interpreted performances for its own productions and does a relaxed performance of the pantomime. The Front of House team are trained in Dementia Awareness.

MANAGEMENT AND GOVERNANCE

- Once again, my thanks go to all the Trustees for their support over the last year.

- I want to express enormous gratitude to all the staff and volunteers who remained committed to the theatre over its period of closure and have worked so hard to rebuild it back up and developed its output with better programming, an improved customer experience and internal productions.

- The Trust has met regularly during the year and has complete oversight of governance.

  An Executive Board has been established which meets monthly to advise the Trust on compliance on governance issues.

FINANCES

- Following 2 years of deficit as a result of the impact of COVID-19, a surplus of £828,793 was reported at the end of the financial year and the reserves stood at £1,271,665.

- At the year end the total of restricted funds were £4,890.

RESERVES POLICY

The current reserves are in excess of the Trust's requirements (adopted from Feb 2023) for an unrestricted reserve of £1m. The Trustees are confident that this level of reserves will be maintained.

PAY POLICY FOR SENIOR STAFF

The Board of Directors, who are the Trust's Trustees, provide oversight and governance and the CEO and Executive Team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day-to-day basis.

All directors give their time freely and no director received remuneration in the year for their trustee responsibilities.

- One director acts as CEO on a voluntary basis.

Details of all directors' remuneration and benefits are disclosed in note 9 to the accounts. The pay of senior staff is reviewed annually.

RISK MANAGEMENT

A Risk Register is run by the Trust. This is reviewed every three months and updated to reflect the risks associated with the theatre estate and the planned improvements to the three shops, as well as the risks of running the business itself.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The trust is a company limited by guarantee governed by its Memorandums and Articles of Association. It is registered as a charity with Charity Commission.

Recruitment and appointment of new trustees

The directors of The Kings Theatre Trust Limited are also charity trustees for purpose of charity law.

Generally, no person other than a trustee retiring by rotation, shall be appointed or reappointed a trustee at any general meeting unless they are recommended by the trustees.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

Trustees are regularly briefed on their legal obligations and meet key employees and other trustees. They are regularly provided with management accounts, business plans and relevant governance documentation.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03983443 (England and Wales)

Registered Charity number

1088254

Registered office

The Kings Theatre
Albert Road
Southsea
Hampshire
PO5 2QJ

Trustees

R Hasker	
I Pratt	
D Repton	
W M Taylor	
Cllr H L Mason	Resigned 17 May 2022
Miss C J Brown	Resigned 21 April 2022
D T Gant	
Dr G Morgan	
R Peck	
P Woolf	
Mrs P Prescott	
L Stubbs	Resigned 14 October 2021
R Wood	Appointed 26 January 2022, Resigned 17 May 2022

Auditors

Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Bankers

Lloyds Bank Plc
2-4 Palmerston Road
Southsea, Hampshire
PO5 3QH

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

AUDITORS

The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 12 May 2023 and signed on its behalf by:

.....

P I Woolf - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KINGS THEATRE TRUST LIMITED

Opinion
We have audited the financial statements of The Kings Theatre Trust Limited (the 'charitable company') for the year ended 31 August 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 (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 August 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

We have nothing to report in respect of the following matters where 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

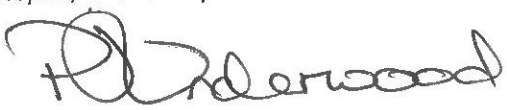
Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

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 Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KINGS THEATRE TRUST LIMITED

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 auditors' 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.



Paul Underwood (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 23 May 2023

THE KINGS THEATRE TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £	Designated Reserves £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	351,698	-	-	351,698	930,268
Charitable activities	4					
Operation of the theatre		1,912,668	-	-	1,912,668	197,111
Ancillary trading		405,437	-	-	405,437	24,443
Education		3,977	-	-	3,977	912
Investment income	3	19	-	-	19	1
Total		2,673,799	-	-	2,673,799	1,152,735
EXPENDITURE ON						
Charitable activities	5					
Operation of the theatre		1,628,525	-	10,877	1,639,402	1,048,750
Ancillary trading		103,779	-	-	103,779	149,568
Theatre restoration		83,276	-	4,640	87,916	74,272
Education		13,909	-	-	13,909	77,552
Total		1,829,489	-	15,517	1,845,006	1,350,142
NET INCOME/(EXPENDITURE)		844,310	-	(15,517)	828,793	(197,407)
RECONCILIATION OF FUNDS						
Total funds brought forward		229,477	192,988	20,407	442,872	640,279
TOTAL FUNDS CARRIED FORWARD		1,073,787	192,988	4,890	1,271,665	442,872

The notes form part of these financial statements

BALANCE SHEET
31 AUGUST 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	12	3,231	8,077
Tangible assets	13	258,600	259,831
		261,831	267,908
CURRENT ASSETS			
Stocks	14	11,704	9,099
Debtors	15	101,272	90,627
Cash at bank and in hand	16	1,944,835	1,573,897
		2,057,811	1,673,623
CREDITORS			
Amounts falling due within one year	17	(910,735)	(1,343,931)
NET CURRENT ASSETS		1,147,076	329,692
TOTAL ASSETS LESS CURRENT LIABILITIES		1,408,907	597,600
CREDITORS			
Amounts falling due after more than one year	18	(137,242)	(154,728)
NET ASSETS		1,271,665	442,872
FUNDS	21		
Unrestricted funds:			
General fund		1,073,787	422,465
Designated Building Restoration fund		192,988	-
		1,266,775	422,465
Restricted funds		4,890	20,407
TOTAL FUNDS		1,271,665	442,872

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 12 May 2023 and were signed on its behalf by:

.....
P I Woolf - Trustee

The notes form part of these financial statements

THE KINGS THEATRE TRUST LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	445,839	51,121
Net cash provided by operating activities		445,839	51,121
Cash flows from investing activities			
Purchase of tangible fixed assets		(74,920)	(5,015)
Interest received		19	1
Net cash used in investing activities		(74,901)	(5,014)
Change in cash and cash equivalents in the reporting period		370,938	46,107
Cash and cash equivalents at the beginning of the reporting period		1,573,897	1,527,790
Cash and cash equivalents at the end of the reporting period		1,944,835	1,573,897

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2022

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	828,793	(197,407)
Adjustments for:		
Depreciation charges	73,455	55,571
Loss on disposal of fixed assets	7,542	-
Interest received	(19)	(1)
(Increase)/decrease in stocks	(2,605)	85
Increase in debtors	(10,645)	(37,741)
(Decrease)/increase in creditors	(450,682)	230,614
Net cash provided by operations	445,839	51,121

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.21 £	Cash flow £	At 31.8.22 £
Net cash			
Cash at bank and in hand	1,573,897	370,938	1,944,835
	1,573,897	370,938	1,944,835
Debt			
Debts falling due within 1 year	(14,036)	(4,795)	(18,831)
Debts falling due after 1 year	(154,728)	17,486	(137,242)
	(168,764)	12,691	(156,073)
Total	1,405,133	383,629	1,788,762

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern
The trustee directors consider that there are no material uncertainties regarding the charitable company's ability to continue as a going concern.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from the box office is included net of the payments made to promoters.

Volunteers and donated services
The value of services provided by volunteers is not incorporated into these financial statements.

Where goods or services are provided to the charity as a donation that would normally be purchased from suppliers, these contributions are included in the financial statements at an estimate based on the value of the contribution to the charity.

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

Irrecoverable VAT
The Trust is partially exempt for the purpose of VAT and therefore irrecoverable VAT arising on some purchases is written off to the Statement of Financial Activities as it occurs.

Intangible fixed assets
Intangible fixed assets are amortised on a straight line basis over their estimated useful economic lives, which is considered to be 5 years.

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

Freehold property	- 2% on cost
Improvements to property	- 10% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33.33% on cost

Individual fixed assets costing £250 or more are capitalised at cost.

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

continued...

1. ACCOUNTING POLICIES - continued

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

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are set up when the trustees wish to allocate money to specific projects.

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

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

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments
The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis use for these financial instruments is detailed below.

Debtors and cash at bank & in hand
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and in hand includes cash held on deposit or in a current account.

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

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations and legacies	28,120	20,613
Grants	308,578	894,655
Donated services and facilities	15,000	15,000
	351,698	930,268

Donated services relate to IT services of £15,000 (2021: £15,000) provided to the charitable company without charge during the year.

continued...

2. DONATIONS AND LEGACIES - continued

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

	2022	2021
	£	£
Operational grants receivable	308,578	541,737
Job retention scheme	-	352,918
	308,578	894,655

3. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	19	1

All investment income is derived from assets held in the United Kingdom.

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022	2021
		£	£
Box office sales and recharges	Operation of the theatre	1,912,668	197,111
Ancillary Trading	Ancillary trading	405,437	24,443
Education and Youth income	Education	3,977	912
		2,322,082	222,466

The box office sales of £1,905,131 (2021: £197,111) represents the theatre's share of the total production income, after payments to promoters. The gross production income is £2,798,818 (2021: 216,385).

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Operation of the theatre	1,537,438	101,964	1,639,402
Ancillary trading	103,779	-	103,779
Theatre restoration	87,916	-	87,916
Education	13,909	-	13,909
	1,743,042	101,964	1,845,006

continued...

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022	2021
	£	£
Staff costs	919,532	711,622
Rates and water	2,767	1,394
Insurance	25,078	25,092
Light and heat	52,519	34,175
Sundries	6,375	2,625
Minor building Projects	59,779	36,581
Education costs	13,909	2,808
Training costs	2,363	5,268
Cleaning costs	20,944	8,098
Routine repairs	23,497	33,739
Irrecoverable VAT	10,087	39,961
Big project costs	4,640	4,123
Show production costs	211,202	193,702
Ancillary trading expenses	103,779	10,619
Technical and IT	47,394	34,081
Marketing	95,490	30,778
Bank charges	70,234	36,114
Depreciation	73,453	55,569
	1,743,042	1,266,349

7. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Operation of the theatre	52,717	49,247	101,964

Support costs, included in the above, are as follows:

Management

	2022 Operation of the theatre	2021 Total activities
	£	£
Telephone	16,839	14,160
Postage and stationery	3,690	504
Sundries	17,974	18,122
Health and Safety	6,670	21,612
Loss on sale of tangible fixed assets	7,544	-
	52,717	54,398

continued...

7. SUPPORT COSTS - continued

Governance costs

	2022 Operation of the theatre	2021 Total activities
	£	£
Auditors' remuneration	4,850	4,200
Accountancy and legal fees	44,397	12,503
Consultancy fees	-	12,692
	49,247	29,395

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Auditors' remuneration	4,850	4,200
Depreciation - owned assets	68,609	50,725
Deficit on disposal of fixed assets	7,544	-
Website costs amortisation	4,846	4,846

9. TRUSTEES' REMUNERATION AND BENEFITS

During the year, C Brown was employed by the Trust as Duty Front of House Manager on an occasional basis when required, receiving £nil (2021: £nil) as gross remuneration for her services.

I Pratt was employed by the Trust as a Chief Electrician, receiving £nil (2021: £nil) as gross remuneration for his services.

Trustees' expenses

During the year no (2021: no) trustees were reimbursed for out of pocket expenses totalling £nil (2021: £nil).

10. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	848,892	665,008
Social security	57,394	37,485
Employers pension costs	13,246	9,129
Redundancies	-	-
	919,532	711,622

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

	2022	2021
Administrative staff	9	9
Operational staff	27	20
	36	29

continued...

10. STAFF COSTS - continued

No employees received emoluments in excess of £60,000.

Included within wages and salaries costs is a statutory redundancy payment totalling £1,632 (2021: £nil) paid to one (2021: nil) employees on the termination of their employment contract with the charitable company.

Key Management Personnel
The key management personnel of the charitable company comprises the General Manager, Artistic Director and the People, Communication and Community Manager. The total consideration paid and employee remuneration and benefits of the key management personnel of the charity was £159,152 (2021: £121,866).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Designated Reserves £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	568,240	-	362,028	930,268
Charitable activities				
Operation of the theatre	197,111	-	-	197,111
Ancillary trading	24,443	-	-	24,443
Education	912	-	-	912
Investment income	1	-	-	1
Total	790,707	-	362,028	1,152,735
EXPENDITURE ON				
Charitable activities				
Operation of the theatre	668,518	-	380,232	1,048,750
Ancillary trading	149,568	-	-	149,568
Theatre restoration	70,149	-	4,123	74,272
Education	77,552	-	-	77,552
Total	965,787	-	384,355	1,350,142
NET INCOME/(EXPENDITURE)	(175,080)	-	(22,327)	(197,407)
RECONCILIATION OF FUNDS				
Total funds brought forward	597,545	-	42,734	640,279
TOTAL FUNDS CARRIED FORWARD	422,465	-	20,407	442,872

continued...

12. INTANGIBLE FIXED ASSETS

	Website costs £
COST	
At 1 September 2021 and 31 August 2022	24,230
AMORTISATION	
At 1 September 2021	16,153
Charge for year	4,846
At 31 August 2022	20,999
NET BOOK VALUE	
At 31 August 2022	3,231
At 31 August 2021	8,077

13. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 September 2021	141,783	72,163	1,892
Additions	-	-	-
Disposals	-	-	-
At 31 August 2022	141,783	72,163	1,892
DEPRECIATION			
At 1 September 2021	25,536	36,036	567
Charge for year	2,836	7,216	378
Eliminated on disposal	-	-	-
At 31 August 2022	28,372	43,252	945
NET BOOK VALUE			
At 31 August 2022	113,411	28,911	947
At 31 August 2021	116,247	36,127	1,325

continued...

13. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 September 2021	234,487	52,431	502,756
Additions	72,402	2,518	74,920
Disposals	(93,476)	(7,559)	(101,035)
At 31 August 2022	213,413	47,390	476,641
DEPRECIATION			
At 1 September 2021	157,661	23,125	242,925
Charge for year	42,819	15,360	68,609
Eliminated on disposal	(88,422)	(5,071)	(93,493)
At 31 August 2022	112,058	33,414	218,041
NET BOOK VALUE			
At 31 August 2022	101,355	13,976	258,600
At 31 August 2021	76,826	29,306	259,831

14. STOCKS

	2022 £	2021 £
Stocks	11,704	9,099

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	26,834	960
Other debtors	74,438	89,667
	101,272	90,627

16. CASH AT BANK AND IN HAND

Within the cash balance of £1,944,835 (2021: £1,573,897) is £651,162 (2021: £1,062,823) ring fenced in respect of advanced ticket sales.

continued...

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 19)	18,831	14,036
Trade creditors	90,658	34,344
Social security and other taxes	14,984	9,551
VAT	3,834	9,275
Other creditors	782,428	1,276,725
	910,735	1,343,931

Deferred income represents income received in advance for tickets for shows in the next financial year.

	2022	2021
	£	£
Brought forward	1,062,823	849,086
Amount released to incoming resources	(1,030,474)	(849,086)
Amount deferred in year	618,813	1,062,823
Carried forward	651,162	1,062,823

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Bank loans (see note 19)	137,242	154,728

SECURED DEBTS

The charitable company has a bank loan with a total balance of £110,240 as at 31 August 2022 (2021: £118,765) which is secured against 28 Albert Road, Southsea.

19. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Bank loans	18,831	14,036
Amounts falling due between two and five years:		
Bank loans - 2-5 years	75,240	93,512
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans after more than 5 years	62,002	61,216

continued...

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Designated Reserves £	Restricted funds £	2022 Total funds £	2021 Total funds £
Fixed assets	261,831	-	-	261,831	267,908
Current assets	1,859,933	192,988	4,890	2,057,811	1,673,623
Current liabilities	(910,735)	-	-	(910,735)	(1,343,931)
Long term liabilities	(137,242)	-	-	(137,242)	(154,728)
	1,073,787	192,988	4,890	1,271,665	442,872

21. MOVEMENT IN FUNDS

	At 1.9.21 £	Net movement in funds £	At 31.8.22 £
Unrestricted funds			
General fund	229,477	844,310	1,073,787
Designated Building Restoration fund	192,988	-	192,988
	422,465	844,310	1,266,775
Restricted funds			
Development Project Fund	15,868	(15,517)	351
Feasibility study	4,539	-	4,539
	20,407	(15,517)	4,890
TOTAL FUNDS	442,872	828,793	1,271,665

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,673,799	(1,829,489)	844,310
Restricted funds			
Development Project Fund	-	(15,517)	(15,517)
TOTAL FUNDS	2,673,799	(1,845,006)	828,793

continued...

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	597,545	(175,080)	422,465
Restricted funds			
Development Project Fund	25,430	(9,562)	15,868
Feasibility study	17,304	(12,765)	4,539
	42,734	(22,327)	20,407
TOTAL FUNDS	640,279	(197,407)	442,872

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	790,707	(965,787)	(175,080)
Restricted funds			
Development Project Fund	-	(9,562)	(9,562)
Feasibility study	(12,765)	-	(12,765)
Job retention scheme	374,793	(374,793)	-
	362,028	(384,355)	(22,327)
TOTAL FUNDS	1,152,735	(1,350,142)	(197,407)

Building Restoration Fund
This is a designated unrestricted fund to be used for the continued repair and restoration of the theatre.

Development Project Fund
This fund relates to the proposed Development Project to take the development of the theatre forward over the next 5 years.

continued...

22. EMPLOYEE BENEFIT OBLIGATIONS

The charitable company operates a defined contribution scheme. The costs to the charitable company for the year was £13,246 (2021: £9,129). At the year end the charitable company owed £nil (2021: £1,495) to the scheme.

23. CAPITAL COMMITMENTS

	2022	2021
	£	£
Contracted but not provided for in the financial statements	57,704	-

24. RELATED PARTY DISCLOSURES

During the year, the Trust hired lighting equipment and made purchases totalling £756 (2021: £2,000) from ITP Lighting Limited, a business partly owned by a trustee, I Pratt. At the year end, the Trust owed £nil (2021: £nil) to ITP Lighting. These transactions were on an arm's length commercial basis.

25. ULTIMATE CONTROLLING PARTY

The charitable company is not under the control of another entity or any one individual.

26. LEGAL STATUS OF THE CHARITABLE COMPANY

The charity is a company limited by guarantee and has no share capital. The maximum liability of each member in the event of winding up is limited to £10.

THE KINGS THEATRE TRUST LIMITED

England & Wales - Charity number 1088254

Accounts

REGISTERED COMPANY NUMBER: 03983443 (England and Wales)
REGISTERED CHARITY NUMBER: 1088254

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

FOR

THE KINGS THEATRE TRUST LIMITED

THE KINGS THEATRE TRUST LIMITED

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THE KINGS THEATRE TRUST LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

The objectives of the charity are to restore the Kings Theatre in a manner sympathetic to a grade II* listed building while at the same time being suitable for use as a modern working theatre and promoting social and cultural activities for the local community and encouraging participation in the arts.

PUBLIC BENEFIT

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENT AND PERFORMANCE

This report sets out the achievements of the Kings Theatre Trust from September 2020 to August 2021.

Due to the impact of COVID 19 the theatre was forced to close in December 2020 at the beginning of its pantomime run and could not open again until August 2021.

During this financial year the theatre was the beneficiary of support from the Arts Council through the Cultural Recovery Fund and it also received grant income from the local authority. The Theatre also applied for and obtained furlough payments.

ACHIEVEMENTS IN 2020/21

- 8,631 people attended 39 performances in the main auditorium at an overall average of 221 for each performance. The majority of these performances were socially distanced.
- The education and outreach team staged a series of Open Days, Workshops and Tours when circumstances allowed which were attended by a total of 961 people. In addition, the team participated in the 'Get Inspired Portsmouth' programme for school years 7-9 which was held virtually and "attended" by 7,270 students.
- The Kings Youth Theatre held in-person classes for 3 weeks until forced to operate online only, Approximately 20 students regularly participated in the online sessions which ran throughout term time.

MANAGEMENT AND GOVERNANCE

- Once again, my thanks go to all the Trustees for their support over the last year.
- I want to express enormous gratitude to all the staff and volunteers who have worked so tirelessly for the theatre this year and remained patient and optimistic through the period of closure and who have shown enormous loyalty and commitment to the theatre.
- The Trust has met regularly during the year and has complete oversight of governance. An Executive Board has been established which meets monthly and an executive team has also been set up which meets weekly.

FINANCES

- A deficit of £197,407 was reported at the end of the financial year and the reserves stood at £442,872.
- At the year end the total of restricted funds were £20,407.

RESERVES POLICY

The current reserves are in excess of the Trust's requirements for an unrestricted reserve of £400k and despite the post balance sheet event referred to below Trustees are confident this level of reserves will be maintained.

PAY POLICY FOR SENIOR STAFF

The Board of Directors, who are the Trust's Trustees, provide oversight and governance and the CEO and senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day-to-day basis.

All directors give their time freely and no director received remuneration in the year for their trustee responsibilities.

- One director acts as CEO on a voluntary basis.

Details of all directors' remuneration and benefits are disclosed in note 9 to the accounts. The pay of senior staff is reviewed annually.

RISK MANAGEMENT

A Risk Register is run by the Trust. This is constantly updated and refreshed to reflect the risks associated with the theatre estate and the planned improvements to the three shops, as well as the risks of running the business itself. The principal risks and uncertainties faced by the charity at present are referred to below along with an explanation of how these are being managed.

POST BALANCE SHEET EVENTS

Following the closure referred to above, the theatre had a reasonable start to trading again in September 2021 although there was a certain lack of confidence shown by customers. In the period from September 2021 to December 2021, trading was supported by grant income as identified above and in December the self-produced Pantomime played 52 performances and enjoyed success.

2022 has had a strong start helped by the shift of shows from 2020 and 2021.

The Trustees are confident about the future trading capacity of the theatre and over the next few years expect it to return to its pre-Covid levels of success.

We continue to negotiate with Portsmouth City Council,regarding the future upkeep of the building and will be looking to re-activate the Regeneration Scheme during 2022

CONCLUSION

- Despite the colossal impact of Covid 19 we have an ambitious programme for our patrons as and when we are open again.
- We have built strong and lasting relationships with significant producers during the crisis which will stand us in good stead going forward.
- We will continue to take all steps necessary to keep the theatre viable, whilst remaining committed to providing a varied programme of quality shows for local people to enjoy as part of the vibrant cultural mix in Portsmouth.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document
The trust is a company limited by guarantee governed by its Memorandums and Articles of Association. It is registered as a charity with Charity Commission.

Recruitment and appointment of new trustees
The directors of The Kings Theatre Trust Limited are also charity trustees for purpose of charity law.

Generally, no person other than a trustee retiring by rotation, shall be appointed or reappointed a trustee at any general meeting unless they are recommended by the trustees.

Induction and training of new trustees
Trustees are regularly briefed on their legal obligations and meet key employees and other trustees. They are regularly provided with management accounts, business plans and relevant governance documentation.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
03983443 (England and Wales)

Registered Charity number
1088254

Registered office
The Kings Theatre
Albert Road
Southsea
Hampshire
PO5 2QJ

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

Trustees

R Hasker	
I Pratt	
D Repton	
W M Taylor	
Cllr H L Mason	
Miss C J Brown	
D T Gant	
Dr G Morgan	
R Peck	
P Woolf	
Mrs P Prescott	
D Henderson	Resigned 1 April 2021
L Stubbs	Resigned 14 October 2021

Auditors

P Underwood, FCCA
Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Bankers

Lloyds Bank Plc
2-4 Palmerston Road
Southsea, Hampshire
PO5 3QH

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

AUDITORS

The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 6th May 2022 and signed on its behalf by:

P I Woolf - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KINGS THEATRE TRUST LIMITED

Opinion

We have audited the financial statements of The Kings Theatre Trust Limited (the 'charitable company') for the year ended 31 August 2021 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 (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 August 2021 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KINGS THEATRE TRUST LIMITED

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 Report of the Trustees.

We have nothing to report in respect of the following matters where 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KINGS THEATRE TRUST LIMITED

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

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 Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KINGS THEATRE TRUST LIMITED

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 auditors' 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.



Paul Underwood (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 24 May 2022

THE KINGS THEATRE TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	568,240	362,028	930,268	391,601
Charitable activities	4				
Operation of the theatre		197,111	-	197,111	1,226,453
Ancillary trading		24,443	-	24,443	244,179
Education		912	-	912	45,837
Investment income	3	1	-	1	7
Total		790,707	362,028	1,152,735	1,908,077
EXPENDITURE ON					
Charitable activities	5				
Operation of the theatre		668,518	380,232	1,048,750	1,502,552
Ancillary trading		149,568	-	149,568	261,663
Theatre restoration		70,149	4,123	74,272	86,980
Education		77,552	-	77,552	137,025
Other		-	-	-	19,100
Total		965,787	384,355	1,350,142	2,007,320
NET INCOME/(EXPENDITURE)		(175,080)	(22,327)	(197,407)	(99,243)
RECONCILIATION OF FUNDS					
Total funds brought forward		597,545	42,734	640,279	739,522
TOTAL FUNDS CARRIED FORWARD		422,465	20,407	442,872	640,279

The notes form part of these financial statements

BALANCE SHEET
31 AUGUST 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	12	8,077	12,923
Tangible assets	13	259,831	305,541
		267,908	318,464
CURRENT ASSETS			
Stocks	14	9,099	9,184
Debtors	15	90,627	52,886
Cash at bank and in hand	16	1,573,897	1,527,790
		1,673,623	1,589,860
CREDITORS			
Amounts falling due within one year	17	(1,343,931)	(1,152,820)
NET CURRENT ASSETS		329,692	437,040
TOTAL ASSETS LESS CURRENT LIABILITIES		597,600	755,504
CREDITORS			
Amounts falling due after more than one year	18	(154,728)	(115,225)
NET ASSETS		442,872	640,279
FUNDS	21		
Unrestricted funds		422,465	597,545
Restricted funds		20,407	42,734
TOTAL FUNDS		442,872	640,279

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 6th MAY 2022 and were signed on its behalf by:

P I Woolf - Trustee

The notes form part of these financial statements

THE KINGS THEATRE TRUST LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	51,121	451,685
Net cash provided by operating activities		51,121	451,685
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,015)	(107,012)
Interest received		1	7
Net cash used in investing activities		(5,014)	(107,005)
Cash flows from financing activities			
Loan repayments in year		-	(5,098)
Net cash provided by/(used in) financing activities		-	(5,098)
Change in cash and cash equivalents in the reporting period		46,107	339,582
Cash and cash equivalents at the beginning of the reporting period		1,527,790	1,188,208
Cash and cash equivalents at the end of the reporting period		1,573,897	1,527,790

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(197,407)	(99,243)
Adjustments for:		
Depreciation charges	55,571	56,893
Interest received	(1)	(7)
Decrease/(increase) in stocks	85	(1,377)
(Increase)/decrease in debtors	(37,741)	42,527
Increase in creditors	230,614	452,892
Net cash provided by operations	51,121	451,685

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.20 £	Cash flow £	At 31.8.21 £
Net cash			
Cash at bank and in hand	1,527,790	46,107	1,573,897
	1,527,790	46,107	1,573,897
Debt			
Debts falling due within 1 year	(10,388)	(3,648)	(14,036)
Debts falling due after 1 year	(115,225)	(39,503)	(154,728)
	(125,613)	(43,151)	(168,764)
Total	1,402,177	2,956	1,405,133

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern
The trustee directors consider that there are no material uncertainties regarding the charitable company's ability to continue as a going concern. The theatre re-opened in August 2021 having been closed since December 2020. Cash flow was maintained during this period as the theatre attracted Covid Support Grants. The theatre also looked hard at cost reduction and also arranged with producers to defer shows to 2022/23. The theatre has prepared cash flow projections that demonstrate the theatre has sufficient reserves and expect to deliver a strong programme including the pantomime generating a positive cash flow.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from the box office is included net of the payments made to promoters.

Volunteers and donated services
The value of services provided by volunteers is not incorporated into these financial statements.

Where goods or services are provided to the charity as a donation that would normally be purchased from suppliers, this contributions is included in the financial statements at an estimate based on the value of the contribution to the charity.

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

Irrecoverable VAT
The Trust is partially exempt for the purpose of VAT and therefore irrecoverable VAT arises on some purchases is written off to the Statement of Financial Activities as it occurs.

Intangible fixed assets
Intangible fixed assets are amortised on a straight line basis over their estimated useful economic lives, which is considered to be 5 years.

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

Freehold property	- 2% on cost
Improvements to property	- 10% on cost
Fixtures and fittings	- 15% on cost

Individual fixed assets costing £250 or more are capitalised at cost.

continued...

1. ACCOUNTING POLICIES - continued

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

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

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are set up when the trustees wish to allocate money to specific projects.

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

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

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments
The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis use for these financial instruments is detailed below.

Debtors and cash at bank & in hand
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and in hand includes cash held on deposit or in a current account.

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

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations and legacies	20,613	27,384
Grants	894,655	349,217
Donated services and facilities	15,000	15,000
	930,268	391,601

Donated services relate to IT services of £15,000 (2020: £15,000) provided to the charitable company without charge during the year.

continued...

2. DONATIONS AND LEGACIES - continued

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

	2021	2020
	£	£
Operational grants receivable	541,737	77,724
Job retention scheme	352,918	271,493
	894,655	349,217

3. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	1	7

All investment income is derived from assets held in the United Kingdom.

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021	2020
		£	£
Box office sales and recharges	Operation of the theatre	197,111	1,226,453
Ancillary Trading	Ancillary trading	24,443	244,179
Education and Youth income	Education	912	45,837
		222,466	1,516,469

The box office sales of £197,111 (2020: £1,226,453) represents the theatre's share of the total production income, after payments to promoters. The gross production income is £216,385 (2020: £1,577,036).

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Operation of the theatre	984,230	64,520	1,048,750
Ancillary trading	130,295	19,273	149,568
Theatre restoration	74,272	-	74,272
Education	77,552	-	77,552
	1,266,349	83,793	1,350,142

continued...

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021	2020
	£	£
Staff costs	711,622	1,075,976
Rates and water	1,394	10,658
Insurance	25,092	26,938
Light and heat	34,175	29,600
Sundries	2,625	5,161
Minor building Projects	36,581	36,815
Education costs	2,808	20,520
Training costs	5,268	7,869
Cleaning costs	8,098	14,894
Routine repairs	33,739	22,494
Major building repairs	-	21,157
Irrecoverable VAT	39,961	24,143
Big project costs	4,123	4,876
Show production costs	193,702	286,378
Ancillary trading expenses	10,619	65,069
Technical and IT	34,081	32,765
Marketing	30,778	109,315
Bank charges	36,114	64,483
Depreciation	55,569	56,894
	1,266,349	1,916,005

7. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Operation of the theatre	41,886	22,634	64,520
Ancillary trading	12,512	6,761	19,273
	54,398	29,395	83,793

Activity	Basis of allocation
Management	Time
Governance costs	Time

Support costs, included in the above, are as follows:

Management

	Operation of the theatre	Ancillary trading	2021 Total activities	2020 Total activities
	£	£	£	£
Telephone	10,903	3,257	14,160	14,115
Postage and stationery	388	116	504	3,405
Sundries	13,954	4,168	18,122	11,875
Health and Safety	16,641	4,971	21,612	9,621
	41,886	12,512	54,398	39,016

continued...

7. SUPPORT COSTS - continued

Governance costs

	Operation of the theatre	Ancillary trading	2021 Total activities	2020 Total activities
	£	£	£	£
Auditors' remuneration	3,234	966	4,200	6,375
Accountancy and legal fees	9,627	2,876	12,503	17,671
Consultancy fees	9,773	2,919	12,692	9,153
	22,634	6,761	29,395	33,199

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration	4,200	6,375
Depreciation - owned assets	50,725	52,047
Website costs amortisation	4,846	4,846

9. TRUSTEES' REMUNERATION AND BENEFITS

During the year, C Brown was employed by the Trust as Duty Front of House Manager on an occasional basis when required, receiving £nil (2020: £nil) as gross remuneration for her services.

I Pratt was employed by the Trust as a Chief Electrician, receiving £nil (2020: £nil) as gross remuneration for his services.

Trustees' expenses

During the year no (2020: no) trustees were reimbursed for out of pocket expenses totalling £nil (2020: £nil).

10. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	665,008	976,510
Social security	37,485	64,511
Employers pension costs	9,129	15,445
Redundancies	-	1,614
	711,622	1,058,080

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

	2021	2020
Administrative staff	9	9
Operational staff	20	40
	29	49

No employees received emoluments in excess of £60,000.

continued...

10. STAFF COSTS - continued

Included within wages and salaries costs is a statutory redundancy payment totalling £nil (2020: £1,614) paid to no (2020: one) employees on the termination of their employment contract with the charitable company.

Key Management Personnel
The key management personnel of the charitable company comprises the Commercial Director, Creative Director, Head of Sales and Marketing and the Finance Manager. The total consideration paid and employee remuneration and benefits of the key management personnel of the charity was £121,866 (2020: £189,100).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	120,108	271,493	391,601
Charitable activities			
Operation of the theatre	1,226,453	-	1,226,453
Ancillary trading	244,179	-	244,179
Education	45,837	-	45,837
Investment income	7	-	7
Total	1,636,584	271,493	1,908,077
EXPENDITURE ON			
Charitable activities			
Operation of the theatre	1,225,620	276,932	1,502,552
Ancillary trading	261,663	-	261,663
Theatre restoration	82,104	4,876	86,980
Education	137,025	-	137,025
Other	19,100	-	19,100
Total	1,725,512	281,808	2,007,320
NET INCOME/(EXPENDITURE)	(88,928)	(10,315)	(99,243)
RECONCILIATION OF FUNDS			
Total funds brought forward	686,473	53,049	739,522
TOTAL FUNDS CARRIED FORWARD	597,545	42,734	640,279

continued...

12. INTANGIBLE FIXED ASSETS

	Website costs £
COST	
At 1 September 2020 and 31 August 2021	24,230
AMORTISATION	
At 1 September 2020	11,307
Charge for year	4,846
At 31 August 2021	16,153
NET BOOK VALUE	
At 31 August 2021	8,077
At 31 August 2020	12,923

13. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 September 2020	141,783	72,163	1,892
Additions	-	-	-
At 31 August 2021	141,783	72,163	1,892
DEPRECIATION			
At 1 September 2020	22,700	28,820	378
Charge for year	2,836	7,216	189
At 31 August 2021	25,536	36,036	567
NET BOOK VALUE			
At 31 August 2021	116,247	36,127	1,325
At 31 August 2020	119,083	43,343	1,514

continued...

13. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 September 2020	230,080	51,823	497,741
Additions	4,407	608	5,015
At 31 August 2021	234,487	52,431	502,756
DEPRECIATION			
At 1 September 2020	127,664	12,638	192,200
Charge for year	29,997	10,487	50,725
At 31 August 2021	157,661	23,125	242,925
NET BOOK VALUE			
At 31 August 2021	76,826	29,306	259,831
At 31 August 2020	102,416	39,185	305,541

14. STOCKS

	2021 £	2020 £
Stocks	9,099	9,184

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	960	15,494
Other debtors	89,667	37,392
	90,627	52,886

16. CASH AT BANK AND IN HAND

Within the cash balance of £1,573,897 (2020: £1,527,790) is £1,062,823 (2020: £849,086) ring fenced in respect of advanced ticket sales.

continued...

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 19)	14,036	10,388
Trade creditors	34,344	47,857
Social security and other taxes	9,551	64,890
VAT	9,275	10,763
Other creditors	1,276,725	1,018,922
	1,343,931	1,152,820

Deferred income represents income received in advance for tickets for shows in the next financial year.

	2021	2020
	£	£
Brought forward	849,086	493,184
Amount released to incoming resources	(849,086)	(493,184)
Amount deferred in year	1,062,823	849,086
Carried forward	1,062,823	849,086

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans (see note 19)	154,728	115,225

SECURED DEBTS

The charitable company has a bank loan with a total balance of £168,765 as at 31 August 2021 (2020: £125,533) which is secured against 28 Albert Road, Southsea and was refinanced during the year.

19. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Bank loans	14,036	10,388
Amounts falling due between two and five years:		
Bank loans - 2-5 years	93,512	41,556
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans after more than 5 years	61,216	73,669

continued...

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Fixed assets	267,908	-	267,908	318,464
Current assets	1,653,216	20,407	1,673,623	1,589,860
Current liabilities	(1,343,931)	-	(1,343,931)	(1,152,820)
Long term liabilities	(154,728)	-	(154,728)	(115,225)
	422,465	20,407	442,872	640,279

21. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	At 31.8.21 £
Unrestricted funds			
General fund	597,545	(175,080)	422,465
Restricted funds			
Development Project Fund	25,430	(9,562)	15,868
Feasibility study	17,304	(12,765)	4,539
	42,734	(22,327)	20,407
TOTAL FUNDS	640,279	(197,407)	442,872

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	790,707	(965,787)	(175,080)
Restricted funds			
Development Project Fund	-	(9,562)	(9,562)
Feasibility study	(12,765)	-	(12,765)
Job retention scheme	374,793	(374,793)	-
	362,028	(384,355)	(22,327)
TOTAL FUNDS	1,152,735	(1,350,142)	(197,407)

continued...

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	686,473	(88,928)	597,545
Restricted funds			
Development Project Fund	35,745	(10,315)	25,430
Feasibility study	17,304	-	17,304
	53,049	(10,315)	42,734
TOTAL FUNDS	739,522	(99,243)	640,279

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,636,584	(1,725,512)	(88,928)
Restricted funds			
Development Project Fund	-	(10,315)	(10,315)
Job retention scheme	271,493	(271,493)	-
	271,493	(281,808)	(10,315)
TOTAL FUNDS	1,908,077	(2,007,320)	(99,243)

Development Project Fund
This fund relates to the proposed Development Project to take the development of the theatre forward over the next 5 years.

22. EMPLOYEE BENEFIT OBLIGATIONS

The charitable company operates a defined contribution scheme. The costs to the charitable company for the year was £9,129 (2020: £15,445). At the year end the charitable company owed £1,495 (2020: £2,273) to the scheme.

continued...

23. RELATED PARTY DISCLOSURES

During the year, the Trust hired lighting equipment and made purchases totalling £2,000 (2020: £2,050) from ITP Lighting Limited, a business partly owned by a trustee, I Pratt. At the year end, the Trust owed £nil (2020: £88) to ITP Lighting. These transactions were on an arm's length commercial basis.

24. ULTIMATE CONTROLLING PARTY

The charitable company is not under the control of another entity or any one individual.

25. LEGAL STATUS OF THE CHARITABLE COMPANY

The charity is a company limited by guarantee and has no share capital. The maximum liability of each member in the event of winding up is limited to £10.

THE KINGS THEATRE TRUST LIMITED

England & Wales - Charity number 1088254

Accounts

REGISTERED COMPANY NUMBER: 03983443 (England and Wales)
REGISTERED CHARITY NUMBER: 1088254

REPORT OF THE TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

FOR

THE KINGS THEATRE TRUST LIMITED

THE KINGS THEATRE TRUST LIMITED

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FOR THE YEAR ENDED 31 AUGUST 2020

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

The objectives of the charity are to restore the Kings Theatre in a manner sympathetic to a grade II* listed building while at the same time being suitable for use as a modern working theatre and promoting social and cultural activities for the local community and encouraging participation in the arts.

PUBLIC BENEFIT

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The trustees refer to public benefit throughout this report.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

ACHIEVEMENT AND PERFORMANCE

This report sets out the achievements of the Kings Theatre Trust from September 2019 to August 2020.

The Kings Theatre had an incredible start to the year, and reserves at all time high of c.£900k. In March 2020 the theatre was closed due to the Covid 19 pandemic. It remained closed until 3rd September 2020 when a limited programme resumed.

In March 2020 the Kings Theatre was on the cusp of signing paperwork with Portsmouth City Council (PCC) to enable an extensive regeneration project to expand the offering of the theatre, attend to essential maintenance work and resolve issues with the original lease. This was to be funded by a Treasury loan facilitated by PCC. The closure put that regeneration project on hold. In the period from March to August 2020 the theatre started planning an interim project with PCC to carry out critical repairs to the building and repurpose three shops adjacent to the theatre.

ACHIEVEMENTS IN 2019/20

- 85,320 people attended 190 performances in the main auditorium (Sept 19-Mar 20), an overall average of 449 for each performance.
- Received high quality productions including first class drama, comedy and one night shows - such as Educating Rita, The Mousetrap, Woman in Black, John Bishop, Russel Kane and Ben Fogel - Tales from the Wilderness.
- Major West End musical tours were booked to appear in spring and summer season of 2020 - Thriller - Live, We will Rock You and Buddy: The Buddy Holly Story.Actively partnered with new producers for the annual pantomime which was a creative and financial success,
- Co-produced Harpy a new touring drama production and planned to produce a community production of Annie in April
- 26 of the performances were community shows including performances by local drama groups and organisations, 2 hosted events for the local newspaper and a programme of relaxed screenings in the day for older members of the community and care home residents.
- The education and outreach team embarked on a strong programme to take the theatre into the community.
- The Kings Youth Theatre has 130 members, introduced bursaries to support lower income families, and commenced subsidised classes in a school with high number of premium pupils.

MANAGEMENT AND GOVERNANCE

- Once again, my thanks go to all the Trustees for their support over the last year.
- I want to express enormous gratitude to all the staff and volunteers who have worked so tirelessly for the theatre this year and remained patient and optimistic through the period of closure
- The Trust has met regularly during the year and has complete oversight of governance.

THIRD PARTY PARTNERS

The theatre has links with corporate partners:

- Annata, Beechdean Ice Cream, CJS Portsmouth Ltd, H Monfared Builders Ltd, In Tandem, Lloyds Bank, Matthew Clarke, The News, and Wave 105.2 FM.
- The Theatre enjoyed a close working relationship with Portsmouth City Council, whose revenue funding and support with the planned regeneration and subsequent interim project is much appreciated.
- The theatre will resume collaboration with cultural and entertainment partners Victorious and Portsmouth Festivities when government measures are lifted.

FINANCES

- A surplus of £598k was reported at the end of the financial year and the reserves stood at £640k.
- At the year end the total of restricted funds was £43k.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

RESERVES POLICY

The current reserves are well in excess of the Trust's requirements for an unrestricted reserve of £400k and despite the post balance sheet event referred to below Trustees are confident this level of reserves will be maintained.

PAY POLICY FOR SENIOR STAFF

The Board of Directors, who are the Trust's Trustees, provide oversight and governance and the CEO and senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day-to-day basis.

All directors give their time freely and no director received remuneration in the year for their trustee responsibilities.

- One director supplied IT equipment at cost.
- Signed agreements are in place to ensure the proper oversight of employment, and withdrawal of the director during discussions.
- One director acts as CEO on a voluntary basis.

Details of all directors' remuneration and benefits are disclosed in note 9 to the accounts. The pay of senior staff is reviewed annually.

RISK MANAGEMENT

A Risk Register is run by the Trust. This is constantly updated and refreshed to reflect the risks associated with the theatre estate and the planned improvements to the three shops, as well as the risks of running the business itself. The principal risks and uncertainties faced by the charity at present are referred to below along with an explanation of how these are being managed.

POST BALANCE SHEET EVENTS

The Programme from September 2019- August 2020 had been very strong but was truncated from March 2020 to September 2020 due to the Covid 19 pandemic and forced closure. The theatre opened with a limited programme in September 2020. Safety measures meant the audience capacity was extremely restricted. A second lockdown closed the theatre in November 2020. The Kings Theatre produced its own Pantomime and opened to rave reviews on 8th December 2020. The theatre was subsequently forced to close on 18th December due to the third lockdown. The theatre remains closed at the time of this report.

The theatre is preparing to re -open for an Autumn season in 2021 if government measures allow and customer confidence is restored. It will produce its own 2021 pantomime and has a very strong programme booked for 2022 with a varied programme of nationally recognized productions for week long runs and one night shows. It is also securing rights to produce more of its own shows with a view to setting up regional tours.

The Kings Theatre has benefitted from emergency grants from the Arts Council Cultural Recovery Fund and business support grants from Portsmouth City Council. This has been essential support to maintain our level of reserves.

The Trustees are confident about the future trading capacity of the theatre and over the next two or three years expect it to return to its pre-Covid levels of success.

We continue to negotiate with Portsmouth City Council to close off the Interim Project and the implementation of the Heads of Terms signed in March 2021.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

CONCLUSION

- The first half of the 2019/20 financial year built on the success of the previous years but was seriously impacted by the closure due to the Covid 19 pandemic.
- Despite the colossal impact of Covid 19 we have an ambitious programme for our patrons as and when we are open again.
- We have built strong and lasting relationships with significant producers during the crisis which will stand us in good stead going forward.
- We will continue to take all steps necessary to keep the theatre viable, whilst remaining committed to providing a varied programme of quality shows for local people to enjoy as part of the vibrant cultural mix in Portsmouth.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The trust is a company limited by guarantee governed by its Memorandums and Articles of Association. It is registered as a charity with Charity Commission.

Recruitment and appointment of new trustees

The directors of The Kings Theatre Trust Limited are also charity trustees for purpose of charity law.

Generally, no person other than a trustee retiring by rotation, shall be appointed or reappointed a trustee at any general meeting unless they are recommended by the trustees.

Induction and training of new trustees

Trustees are regularly briefed on their legal obligations and meet key employees and other trustees. They are regularly provided with management accounts, business plans and relevant governance documentation.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03983443 (England and Wales)

Registered Charity number

1088254

Registered office

The Kings Theatre
Albert Road
Southsea
Hampshire
PO5 2QJ

Trustees

R Hasker	
I Pratt	
D Repton	
W M Taylor	
Cllr H L Mason	
Mrs S E A Love	Resigned 17 June 2020
Miss C J Brown	
D T Gant	
Dr G Morgan	
R Peck	
P Woolf	
Mrs P Prescott	
D Henderson	Resigned 1 April 2021
L Stubbs	

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors
P Underwood, FCCA
Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Bankers
Lloyds Bank Plc
2-4 Palmerston Road
Southsea, Hampshire
PO5 3QH

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

AUDITORS

The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 14 May 2021 and signed on its behalf by:

.....
P I Woolf - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KINGS THEATRE TRUST LIMITED

Opinion

We have audited the financial statements of The Kings Theatre Trust Limited (the 'charitable company') for the year ended 31 August 2020 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 (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 August 2020 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 Auditors' 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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

We have nothing to report in respect of the following matters where 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, 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.

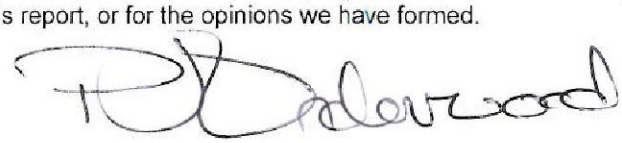
Our responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. 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.

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 Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE KINGS THEATRE TRUST LIMITED

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 auditors' 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.



Paul Underwood (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 17 May 2021

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	120,108	271,493	391,601	213,193
Charitable activities	4				
Operation of the theatre		1,226,453	-	1,226,453	1,778,846
Ancillary trading		244,179	-	244,179	378,771
Education		45,837	-	45,837	62,717
Investment income	3	7	-	7	7
Total		1,636,584	271,493	1,908,077	2,433,534
EXPENDITURE ON					
Charitable activities	5				
Operation of the theatre		1,225,620	276,932	1,502,552	1,631,701
Ancillary trading		261,663	-	261,663	273,683
Theatre restoration		82,104	4,876	86,980	47,237
Education		137,025	-	137,025	119,465
Big project		-	-	-	5,355
Other		19,100	-	19,100	(8,123)
Total		1,725,512	281,808	2,007,320	2,069,318
NET INCOME/(EXPENDITURE)		(88,928)	(10,315)	(99,243)	364,216
RECONCILIATION OF FUNDS					
Total funds brought forward		686,473	53,049	739,522	375,306
TOTAL FUNDS CARRIED FORWARD		597,545	42,734	640,279	739,522

The notes form part of these financial statements

BALANCE SHEET
31 AUGUST 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Intangible assets	12	12,923	17,769
Tangible assets	13	305,541	250,576
		318,464	268,345
CURRENT ASSETS			
Stocks	14	9,184	7,807
Debtors	15	52,886	95,413
Cash at bank and in hand	16	1,527,790	1,188,208
		1,589,860	1,291,428
CREDITORS			
Amounts falling due within one year	17	(1,152,820)	(699,530)
NET CURRENT ASSETS		437,040	591,898
TOTAL ASSETS LESS CURRENT LIABILITIES		755,504	860,243
CREDITORS			
Amounts falling due after more than one year	18	(115,225)	(120,721)
NET ASSETS		640,279	739,522
FUNDS	21		
Unrestricted funds		597,545	686,473
Restricted funds		42,734	53,049
TOTAL FUNDS		640,279	739,522

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 14 May 2021 and were signed on its behalf by:

P J Woolf - Trustee

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	451,685	25,432
Net cash provided by operating activities		451,685	25,432
Cash flows from investing activities			
Purchase of tangible fixed assets		(107,012)	(28,229)
Interest received		7	7
Net cash used in investing activities		(107,005)	(28,222)
Cash flows from financing activities			
Loan repayments in year		(5,098)	(7,454)
Net cash used in financing activities		(5,098)	(7,454)
Change in cash and cash equivalents in the reporting period		339,582	(10,244)
Cash and cash equivalents at the beginning of the reporting period		1,188,208	1,198,452
Cash and cash equivalents at the end of the reporting period		1,527,790	1,188,208

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(99,243)	364,216
Adjustments for:		
Depreciation charges	56,893	37,784
Interest received	(7)	(7)
(Increase)/decrease in stocks	(1,377)	3,242
Decrease/(increase) in debtors	42,527	(58,581)
Increase/(decrease) in creditors	452,892	(321,222)
Net cash provided by operations	451,685	25,432

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.19 £	Cash flow £	At 31.8.20 £
Net cash			
Cash at bank and in hand	1,188,208	339,582	1,527,790
	1,188,208	339,582	1,527,790
Debt			
Debts falling due within 1 year	(9,991)	(397)	(10,388)
Debts falling due after 1 year	(120,721)	5,496	(115,225)
	(130,712)	5,099	(125,613)
Total	1,057,496	344,681	1,402,177

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern
The trustee directors consider that there are no material uncertainties regarding the charitable company's ability to continue as a going concern. The Theatre has been temporarily closed throughout 2020 briefly reopening in the Autumn of 2020 before temporarily closing again in December 2020 due to the Coronavirus lock down measures. Cash flow has been maintained during this period as the Theatre attracted Covid Support Grants. The trustees also took action to reduce costs significantly early in the pandemic period and also negotiated with producers to defer shows that had been booked for 2020 to the 2021 calendar year where practical. The Trustees have prepared cash flow projections that demonstrate that the Theatre has sufficient reserves to reopen on the 22nd August 2021 and deliver a strong programme, including the pantomime, from this date generating a positive cash flow.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from the box office is included net of the payments made to promoters.

Volunteers and donated services
The value of services provided by volunteers is not incorporated into these financial statements.

Where goods or services are provided to the charity as a donation that would normally be purchased from suppliers, this contributions is included in the financial statements at an estimate based on the value of the contribution to the charity.

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

Irrecoverable VAT
The Trust is partially exempt for the purpose of VAT and therefore irrecoverable VAT arises on some purchases is written off to the Statement of Financial Activities as it occurs.

Intangible fixed assets
Intangible fixed assets are amortised on a straight line basis over their estimated useful economic lives, which is considered to be 5 years.

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

Freehold property	- 2% on cost
Improvements to property	- 10% on cost
Fixtures and fittings	- 15% on cost

Individual fixed assets costing £250 or more are capitalised at cost.

continued...

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES - continued

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

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

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are set up when the trustees wish to allocate money to specific projects.

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

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

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments
The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable investments in stocks and shares. The measurement basis use for these financial instruments is detailed below.

Debtors and cash at bank & in hand
Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and in hand includes cash held on deposit or in a current account.

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

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations and legacies	27,384	51,093
Grants	349,217	132,100
Donated services and facilities	15,000	30,000
	391,601	213,193

Donated services relate to IT services of £15,000 (2019: £30,000) provided to the charitable company without charge during the year.

continued...

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020

2. DONATIONS AND LEGACIES - continued

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

	2020	2019
	£	£
Operational grants receivable	77,724	51,000
Capital grants receivable	-	41,100
Feasibility grant	-	40,000
Job retention scheme	271,493	-
	349,217	132,100

3. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	7	7

All investment income is derived from assets held in the United Kingdom.

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2020	2019
		£	£
Box office sales and recharges	Operation of the theatre	1,226,453	1,778,846
Ancillary Trading	Ancillary trading	244,179	378,771
Education and Youth income	Education	45,837	62,717
		1,516,469	2,220,334

The box office sales of £1,226,453 (2019: £1,778,846) represents the theatre's share of the total production income, after payments to promoters. The gross production income is £1,577,036 (2019: £2,829,340).

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Operation of the theatre	1,446,945	55,607	1,502,552
Ancillary trading	245,055	16,608	261,663
Theatre restoration	86,980	-	86,980
Education	137,025	-	137,025
	1,916,005	72,215	1,988,220

continued...

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020	2019
	£	£
Staff costs	1,075,976	875,309
Rates and water	10,658	15,582
Insurance	26,938	23,303
Light and heat	29,600	31,940
Sundries	5,161	2,160
Minor building Projects	36,815	21,744
Education costs	20,520	50,238
Training costs	7,869	4,053
Cleaning costs	14,894	17,179
Routine repairs	22,494	25,170
Major building repairs	21,157	27,823
Irrecoverable VAT	24,143	54,852
Big project costs	4,876	5,355
Show production costs	286,378	341,701
Ancillary trading expenses	65,069	100,498
Technical and IT	32,765	47,863
Marketing	109,315	205,991
Bank charges	64,483	68,400
Depreciation	56,894	37,784
	1,916,005	1,956,945

7. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Operation of the theatre	30,043	25,564	55,607
Ancillary trading	8,973	7,635	16,608
	39,016	33,199	72,215

Activity	Basis of allocation
Management	Time
Governance costs	Time

Support costs, included in the above, are as follows:

Management

	Operation of the theatre	Ancillary trading	2020 Total activities	2019 Total activities
	£	£	£	£
Telephone	10,869	3,246	14,115	15,774
Postage and stationery	2,622	783	3,405	5,669
Sundries	9,144	2,731	11,875	9,988
Health and Safety	7,408	2,213	9,621	1,279
	30,043	8,973	39,016	32,710

continued...

7. SUPPORT COSTS - continued

Governance costs

	Operation of the theatre	Ancillary trading	2020 Total activities	2019 Total activities
	£	£	£	£
Auditors' remuneration	4,909	1,466	6,375	5,943
Accountancy and legal fees	13,607	4,064	17,671	10,226
Consultancy fees	7,048	2,105	9,153	71,617
	25,564	7,635	33,199	87,786

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Auditors' remuneration	6,375	5,943
Depreciation - owned assets	52,047	32,938
Website costs amortisation	4,846	4,846

9. TRUSTEES' REMUNERATION AND BENEFITS

During the year, C Brown was employed by the Trust as Duty Front of House Manager on an occasional basis when required, receiving £nil (2019: £2,919) as gross remuneration for her services.

I Pratt was employed by the Trust as a Chief Electrician, receiving £nil (2019: £126) as gross remuneration for his services.

Trustees' expenses

During the year no (2019: one) trustees were reimbursed for out of pocket expenses totalling £nil (2019: £1,169).

10. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	976,510	814,385
Social security	64,511	46,849
Employers pension costs	15,445	10,015
Redundancies	1614	4,060
	1,058,080	875,309

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

	2020	2019
Administrative staff	9	9
Operational staff	40	31
	49	40

continued...

10. STAFF COSTS - continued

No employees received emoluments in excess of £60,000.

Included within wages and salaries costs is a statutory redundancy payment totalling £1,614 (2019: £4,060) paid to one (2019: one) employee on the termination of their employment contract with the charitable company.

Key Management Personnel
The key management personnel of the charitable company comprises the Commercial Director, Creative Director, Head of Sales and Marketing and the Finance Manager. The total consideration paid and employee remuneration and benefits of the key management personnel of the charity was £189,100 (2019: £111,283).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	132,093	81,100	213,193
Charitable activities			
Operation of the theatre	1,778,846	-	1,778,846
Ancillary trading	378,771	-	378,771
Education	62,717	-	62,717
Investment income	7	-	7
Total	2,352,434	81,100	2,433,534
EXPENDITURE ON			
Charitable activities			
Operation of the theatre	1,610,370	21,331	1,631,701
Ancillary trading	272,318	1,365	273,683
Theatre restoration	47,237	-	47,237
Education	119,465	-	119,465
Big project	-	5,355	5,355
Other	(8,123)	-	(8,123)
Total	2,041,267	28,051	2,069,318
NET INCOME	311,167	53,049	364,216
RECONCILIATION OF FUNDS			
Total funds brought forward	375,306	-	375,306
TOTAL FUNDS CARRIED FORWARD	686,473	53,049	739,522

continued...

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020

12. INTANGIBLE FIXED ASSETS

	Website costs £
COST	
At 1 September 2019 and 31 August 2020	24,230
AMORTISATION	
At 1 September 2019	6,461
Charge for year	4,846
At 31 August 2020	11,307
NET BOOK VALUE	
At 31 August 2020	12,923
At 31 August 2019	17,769

13. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 September 2019	141,783	72,163	1,892
Additions	-	-	-
At 31 August 2020	141,783	72,163	1,892
DEPRECIATION			
At 1 September 2019	19,865	21,604	189
Charge for year	2,835	7,216	189
At 31 August 2020	22,700	28,820	378
NET BOOK VALUE			
At 31 August 2020	119,083	43,343	1,514
At 31 August 2019	121,918	50,559	1,703

continued...

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020

13. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 September 2019	167,201	7,690	390,729
Additions	62,879	44,133	107,012
At 31 August 2020	230,080	51,823	497,741
DEPRECIATION			
At 1 September 2019	96,221	2,274	140,153
Charge for year	31,443	10,364	52,047
At 31 August 2020	127,664	12,638	192,200
NET BOOK VALUE			
At 31 August 2020	102,416	39,185	305,541
At 31 August 2019	70,980	5,416	250,576

14. STOCKS

	2020 £	2019 £
Stocks	9,184	7,807

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	15,494	14,025
Other debtors	37,392	81,388
	52,886	95,413

16. CASH AT BANK AND IN HAND

Within the cash balance of £1,527,790 (2019: £1,188,208) is £849,086 (2019: £493,184) ring fenced in respect of advanced ticket sales.

continued...

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts (see note 19)	10,388	9,991
Trade creditors	47,857	66,597
Social security and other taxes	64,890	17,206
VAT	10,763	7,604
Other creditors	1,018,922	598,132
	1,152,820	699,530

Deferred income represents income received in advance for tickets for shows in the next financial year.

	2020	2019
	£	£
Brought forward	493,184	576,958
Amount released to incoming resources	(493,184)	(576,958)
Amount deferred in year	849,086	493,184
Carried forward	849,086	493,184

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans (see note 19)	115,225	120,721

SECURED DEBTS

The charitable company has a bank loan with a total balance of £125,533 as at 31 August 2020 (2019: £130,712) which is secured against 28 Albert Road, Southsea and was refinanced during the year.

19. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year on demand:		
Bank loans	10,388	9,991
Amounts falling due between two and five years:		
Bank loans - 2-5 years	41,556	39,963
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans after more than 5 years	73,669	80,758

continued...

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Fixed assets	287,645	30,819	318,464	268,345
Current assets	1,577,945	11,915	1,589,860	1,291,428
Current liabilities	(1,152,820)	-	(1,152,820)	(699,530)
Long term liabilities	(115,225)	-	(115,225)	(120,721)
	597,545	42,734	640,279	739,522

21. MOVEMENT IN FUNDS

	At 1.9.19 £	Net movement in funds £	At 31.8.20 £
Unrestricted funds			
General fund	686,473	(88,928)	597,545
Restricted funds			
Development Project Fund	35,745	(10,315)	25,430
Feasibility study	17,304	-	17,304
	53,049	(10,315)	42,734
TOTAL FUNDS	739,522	(99,243)	640,279

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,636,584	(1,725,512)	(88,928)
Restricted funds			
Development Project Fund	-	(10,315)	(10,315)
Job retention scheme	271,493	(271,493)	-
	271,493	(281,808)	(10,315)
TOTAL FUNDS	1,908,077	(2,007,320)	(99,243)

continued...

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.18 £	Net movement in funds £	At 31.8.19 £
Unrestricted funds			
General fund	375,306	311,167	686,473
Restricted funds			
Development Project Fund	-	35,745	35,745
Feasibility study	-	17,304	17,304
	-	53,049	53,049
TOTAL FUNDS	375,306	364,216	739,522

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,352,434	(2,041,267)	311,167
Restricted funds			
Development Project Fund	41,100	(5,355)	35,745
Feasibility study	40,000	(22,696)	17,304
	81,100	(28,051)	53,049
TOTAL FUNDS	2,433,534	(2,069,318)	364,216

Development Project Fund
This fund relates to the proposed Development Project to take the development of the theatre forward over the next 5 years.

22. EMPLOYEE BENEFIT OBLIGATIONS

The charitable company operates a defined contribution scheme. The costs to the charitable company for the year was £15,445 (2019: £10,015). At the year end the charitable company owed £2,273 (2019: £2,355) to the scheme.

continued...

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2020

23. RELATED PARTY DISCLOSURES

During the year, the Trust hired lighting equipment and made purchases totalling £2,050 (2019: £4,733) from ITP Lighting Limited, a business partly owned by a trustee, I Pratt. At the year end, the Trust owed £88 (2019: £nil) to ITP Lighting. These transactions were on an arm's length commercial basis.

24. ULTIMATE CONTROLLING PARTY

The charitable company is not under the control of another entity or any one individual.

25. LEGAL STATUS OF THE CHARITABLE COMPANY

The charity is a company limited by guarantee and has no share capital. The maximum liability of each member in the event of winding up is limited to £10.