

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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THE KINGS THEATRE TRUST LIMITED

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.

THE KINGS THEATRE TRUST LIMITED

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.

THE KINGS THEATRE TRUST LIMITED

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.

THE KINGS THEATRE TRUST LIMITED

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

Miss C J Brown

D T Gant

Dr G Morgan

R Peck

P Woolf

Mrs P Prescott

D Henderson

L Stubbs

Resigned 17 June 2020

Resigned 1 April 2021

THE KINGS THEATRE TRUST LIMITED

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.

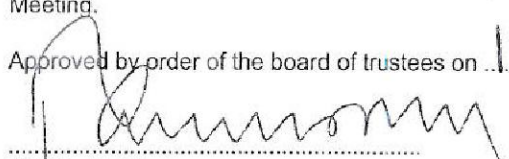
In so far as the trustees are aware:

- 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.

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.

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

THE KINGS THEATRE TRUST LIMITED

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		<u>1,636,584</u>	<u>271,493</u>	<u>1,908,077</u>	<u>2,433,534</u>
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		<u>1,725,512</u>	<u>281,808</u>	<u>2,007,320</u>	<u>2,069,318</u>
NET INCOME/(EXPENDITURE)		<u>(88,928)</u>	<u>(10,315)</u>	<u>(99,243)</u>	<u>364,216</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		686,473	53,049	739,522	375,306
TOTAL FUNDS CARRIED FORWARD		<u><u>597,545</u></u>	<u><u>42,734</u></u>	<u><u>640,279</u></u>	<u><u>739,522</u></u>

The notes form part of these financial statements

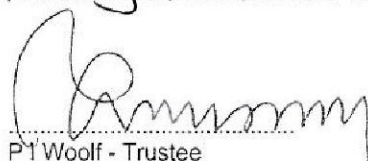
THE KINGS THEATRE TRUST LIMITED (REGISTERED NUMBER: 03983443)

BALANCE SHEET
31 AUGUST 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Intangible assets	12	12,923	17,769
Tangible assets	13	305,541	250,576
		<u>318,464</u>	<u>268,345</u>
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
		<u>1,589,860</u>	<u>1,291,428</u>
CREDITORS			
Amounts falling due within one year	17	(1,152,820)	(699,530)
		<u>437,040</u>	<u>591,898</u>
NET CURRENT ASSETS			
		<u>437,040</u>	<u>591,898</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>755,504</u>	<u>860,243</u>
CREDITORS			
Amounts falling due after more than one year	18	(115,225)	(120,721)
		<u>640,279</u>	<u>739,522</u>
NET ASSETS		<u>640,279</u>	<u>739,522</u>
FUNDS	21		
Unrestricted funds		597,545	686,473
Restricted funds		42,734	53,049
TOTAL FUNDS		<u>640,279</u>	<u>739,522</u>

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:


P1 Woolf - Trustee

THE KINGS THEATRE TRUST LIMITED

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

THE KINGS THEATRE TRUST LIMITED

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	<u>451,685</u>	<u>25,432</u>

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	<u>1,188,208</u>	<u>339,582</u>	<u>1,527,790</u>
	<u>1,188,208</u>	<u>339,582</u>	<u>1,527,790</u>
Debt			
Debts falling due within 1 year	(9,991)	(397)	(10,388)
Debts falling due after 1 year	<u>(120,721)</u>	<u>5,496</u>	<u>(115,225)</u>
	<u>(130,712)</u>	<u>5,099</u>	<u>(125,613)</u>
Total	<u>1,057,496</u>	<u>344,681</u>	<u>1,402,177</u>

THE KINGS THEATRE TRUST LIMITED

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.	

THE KINGS THEATRE TRUST LIMITED

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
	<u>391,601</u>	<u>213,193</u>

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

THE KINGS THEATRE TRUST LIMITED

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	-
	<u>349,217</u>	<u>132,100</u>

3. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	7	7
	<u>7</u>	<u>7</u>

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
		<u>1,516,469</u>	<u>2,220,334</u>

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
	<u>1,916,005</u>	<u>72,215</u>	<u>1,988,220</u>

THE KINGS THEATRE TRUST LIMITED

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

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
	<u>1,916,005</u>	<u>1,956,945</u>

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
	<u>39,016</u>	<u>33,199</u>	<u>72,215</u>

Activity	Basis of allocation
Management	Time
Governance costs	Time

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

Management

			2020	2019
	Operation of the theatre	Ancillary trading	Total activities	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
	<u>30,043</u>	<u>8,973</u>	<u>39,016</u>	<u>32,710</u>

THE KINGS THEATRE TRUST LIMITED

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

7. SUPPORT COSTS - continued

Governance costs

			2020	2019
	Operation of the theatre £	Ancillary trading £	Total activities £	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
	<u>25,564</u>	<u>7,635</u>	<u>33,199</u>	<u>87,786</u>

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	<u>4,846</u>	<u>4,846</u>

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
	<u>1,058,080</u>	<u>875,309</u>

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

	2020	2019
Administrative staff	9	9
Operational staff	40	31
	<u>49</u>	<u>40</u>

THE KINGS THEATRE TRUST LIMITED

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

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

THE KINGS THEATRE TRUST LIMITED

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

THE KINGS THEATRE TRUST LIMITED

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
	<u>230,080</u>	<u>51,823</u>	<u>497,741</u>
DEPRECIATION			
At 1 September 2019	96,221	2,274	140,153
Charge for year	31,443	10,364	52,047
	<u>127,664</u>	<u>12,638</u>	<u>192,200</u>
NET BOOK VALUE			
At 31 August 2020	<u>102,416</u>	<u>39,185</u>	<u>305,541</u>
At 31 August 2019	<u>70,980</u>	<u>5,416</u>	<u>250,576</u>

14. STOCKS

	2020 £	2019 £
Stocks	<u>9,184</u>	<u>7,807</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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.

THE KINGS THEATRE TRUST LIMITED

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
	<u>1,152,820</u>	<u>699,530</u>

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	<u>849,086</u>	<u>493,184</u>
Carried forward	<u>849,086</u>	<u>493,184</u>

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

	2020	2019
	£	£
Bank loans (see note 19)	<u>115,225</u>	<u>120,721</u>

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	<u>10,388</u>	<u>9,991</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>41,556</u>	<u>39,963</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans after more than 5 years	73,669	80,758

THE KINGS THEATRE TRUST LIMITED

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

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)
	<u>597,545</u>	<u>42,734</u>	<u>640,279</u>	<u>739,522</u>

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
	<u>53,049</u>	<u>(10,315)</u>	<u>42,734</u>
TOTAL FUNDS	<u>739,522</u>	<u>(99,243)</u>	<u>640,279</u>

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)	-
	<u>271,493</u>	<u>(281,808)</u>	<u>(10,315)</u>
TOTAL FUNDS	<u>1,908,077</u>	<u>(2,007,320)</u>	<u>(99,243)</u>

THE KINGS THEATRE TRUST LIMITED

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

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
	<u>-</u>	<u>53,049</u>	<u>53,049</u>
TOTAL FUNDS	<u>375,306</u>	<u>364,216</u>	<u>739,522</u>

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
	<u>81,100</u>	<u>(28,051)</u>	<u>53,049</u>
TOTAL FUNDS	<u>2,433,534</u>	<u>(2,069,318)</u>	<u>364,216</u>

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.

THE KINGS THEATRE TRUST LIMITED

**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.