

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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FOR THE YEAR ENDED 31 AUGUST 2021**

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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.

THE KINGS THEATRE TRUST LIMITED

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.

THE KINGS THEATRE TRUST LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021

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

THE KINGS THEATRE TRUST LIMITED
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
L Stubbs

Resigned 1 April 2021
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.

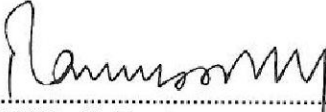
THE KINGS THEATRE TRUST LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2021**

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		<u>790,707</u>	<u>362,028</u>	<u>1,152,735</u>	<u>1,908,077</u>
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		<u>965,787</u>	<u>384,355</u>	<u>1,350,142</u>	<u>2,007,320</u>
NET INCOME/(EXPENDITURE)		<u>(175,080)</u>	<u>(22,327)</u>	<u>(197,407)</u>	<u>(99,243)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>597,545</u>	<u>42,734</u>	<u>640,279</u>	<u>739,522</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>422,465</u></u>	<u><u>20,407</u></u>	<u><u>442,872</u></u>	<u><u>640,279</u></u>

The notes form part of these financial statements

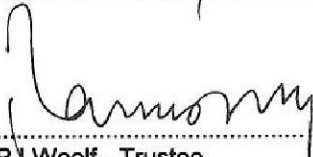
THE KINGS THEATRE TRUST LIMITED (REGISTERED NUMBER: 03983443)

**BALANCE SHEET
31 AUGUST 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	12	8,077	12,923
Tangible assets	13	259,831	305,541
		<u>267,908</u>	<u>318,464</u>
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
		<u>1,673,623</u>	<u>1,589,860</u>
CREDITORS			
Amounts falling due within one year	17	(1,343,931)	(1,152,820)
		<u>329,692</u>	<u>437,040</u>
NET CURRENT ASSETS			
		<u>597,600</u>	<u>755,504</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>597,600</u>	<u>755,504</u>
CREDITORS			
Amounts falling due after more than one year	18	(154,728)	(115,225)
		<u>442,872</u>	<u>640,279</u>
NET ASSETS			
		<u>442,872</u>	<u>640,279</u>
FUNDS	21		
Unrestricted funds		422,465	597,545
Restricted funds		20,407	42,734
		<u>442,872</u>	<u>640,279</u>
TOTAL FUNDS			
		<u>442,872</u>	<u>640,279</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 6th MAY 2022 and were signed on its behalf by:


P Woolf - Trustee

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
	<hr/>	<hr/>
Net cash provided by operating activities	51,121	451,685
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible fixed assets	(5,015)	(107,012)
Interest received	1	7
	<hr/>	<hr/>
Net cash used in investing activities	(5,014)	(107,005)
	<hr/>	<hr/>
Cash flows from financing activities		
Loan repayments in year	-	(5,098)
	<hr/>	<hr/>
Net cash provided by/(used in) financing activities	-	(5,098)
	<hr/>	<hr/>
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
	<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period	1,573,897	1,527,790
	<hr/> <hr/>	<hr/> <hr/>

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 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	<u>51,121</u>	<u>451,685</u>

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
	<u>1,527,790</u>	<u>46,107</u>	<u>1,573,897</u>
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)
	<u>(125,613)</u>	<u>(43,151)</u>	<u>(168,764)</u>
Total	<u>1,402,177</u>	<u>2,956</u>	<u>1,405,133</u>

THE KINGS THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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.

THE KINGS THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2021

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
	<u>930,268</u>	<u>391,601</u>

Donated services relate to IT services of £15,000 (2020: £15,000) 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 2021**

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
	<u>894,655</u>	<u>349,217</u>

3. INVESTMENT INCOME

	2021 £	2020 £
Deposit account interest	<u>1</u>	<u>7</u>

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
		<u>222,466</u>	<u>1,516,469</u>

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
	<u>1,266,349</u>	<u>83,793</u>	<u>1,350,142</u>

THE KINGS THEATRE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

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
	<u>1,266,349</u>	<u>1,916,005</u>

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
	<u>54,398</u>	<u>29,395</u>	<u>83,793</u>

Activity	Basis of allocation
Management	Time
Governance costs	Time

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

Management

	2021	2020
	Operation of the theatre £	Total activities £
Telephone	10,903	14,160
Postage and stationery	388	504
Sundries	13,954	18,122
Health and Safety	16,641	21,612
	<u>41,886</u>	<u>54,398</u>
	<u>12,512</u>	<u>39,016</u>

THE KINGS THEATRE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

7. SUPPORT COSTS - continued
Governance costs

			2021	2020
	Operation of the theatre £	Ancillary trading £	Total activities £	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
	<u>22,634</u>	<u>6,761</u>	<u>29,395</u>	<u>33,199</u>

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	<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 (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
	<u>711,622</u>	<u>1,058,080</u>

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

	2021	2020
Administrative staff	9	9
Operational staff	20	40
	<u>29</u>	<u>49</u>

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

THE KINGS THEATRE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

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

THE KINGS THEATRE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

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

THE KINGS THEATRE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

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
	<u>234,487</u>	<u>52,431</u>	<u>502,756</u>
At 31 August 2021			
DEPRECIATION			
At 1 September 2020	127,664	12,638	192,200
Charge for year	29,997	10,487	50,725
	<u>157,661</u>	<u>23,125</u>	<u>242,925</u>
At 31 August 2021			
NET BOOK VALUE			
At 31 August 2021	<u>76,826</u>	<u>29,306</u>	<u>259,831</u>
At 31 August 2020	<u>102,416</u>	<u>39,185</u>	<u>305,541</u>

14. STOCKS

	2021 £	2020 £
Stocks	<u>9,099</u>	<u>9,184</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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.

THE KINGS THEATRE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

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
	<u>1,343,931</u>	<u>1,152,820</u>

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	<u>1,062,823</u>	<u>849,086</u>
Carried forward	<u>1,062,823</u>	<u>849,086</u>

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

	2021	2020
	£	£
Bank loans (see note 19)	<u>154,728</u>	<u>115,225</u>

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	<u>14,036</u>	<u>10,388</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>93,512</u>	<u>41,556</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans after more than 5 years	61,216	73,669

THE KINGS THEATRE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

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)
	<u>422,465</u>	<u>20,407</u>	<u>442,872</u>	<u>640,279</u>

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
	<u>42,734</u>	<u>(22,327)</u>	<u>20,407</u>
TOTAL FUNDS	<u>640,279</u>	<u>(197,407)</u>	<u>442,872</u>

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)	-
	<u>362,028</u>	<u>(384,355)</u>	<u>(22,327)</u>
TOTAL FUNDS	<u>1,152,735</u>	<u>(1,350,142)</u>	<u>(197,407)</u>

THE KINGS THEATRE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

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

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)	-
	<u>271,493</u>	<u>(281,808)</u>	<u>(10,315)</u>
TOTAL FUNDS	<u><u>1,908,077</u></u>	<u><u>(2,007,320)</u></u>	<u><u>(99,243)</u></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 £9,129 (2020: £15,445). At the year end the charitable company owed £1,495 (2020: £2,273) to the scheme.

THE KINGS THEATRE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

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.