

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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THE KINGS THEATRE TRUST LIMITED

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.

THE KINGS THEATRE TRUST LIMITED
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 KINGS THEATRE TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

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.

THE KINGS THEATRE TRUST LIMITED

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).

THE KINGS THEATRE TRUST LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2022

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.

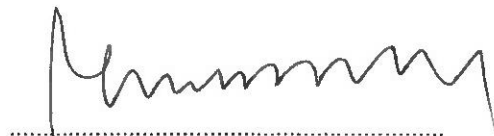
In so far as the trustees are aware:

- 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.

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.

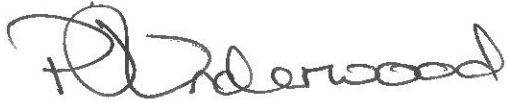
Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

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: 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		<u>2,673,799</u>	<u>-</u>	<u>-</u>	<u>2,673,799</u>	<u>1,152,735</u>
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		<u>1,829,489</u>	<u>-</u>	<u>15,517</u>	<u>1,845,006</u>	<u>1,350,142</u>
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		<u>1,073,787</u>	<u>192,988</u>	<u>4,890</u>	<u>1,271,665</u>	<u>442,872</u>

The notes form part of these financial statements

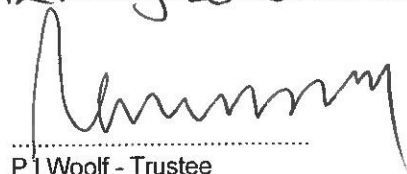
THE KINGS THEATRE TRUST LIMITED (REGISTERED NUMBER: 03983443)

**BALANCE SHEET
31 AUGUST 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	12	3,231	8,077
Tangible assets	13	258,600	259,831
		<u>261,831</u>	<u>267,908</u>
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
		<u>2,057,811</u>	<u>1,673,623</u>
CREDITORS			
Amounts falling due within one year	17	(910,735)	(1,343,931)
		<u>1,147,076</u>	<u>329,692</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		1,408,907	597,600
CREDITORS			
Amounts falling due after more than one year	18	(137,242)	(154,728)
		<u>1,271,665</u>	<u>442,872</u>
NET ASSETS			
FUNDS	21		
Unrestricted funds:			
General fund		1,073,787	422,465
Designated Building Restoration fund		192,988	-
		<u>1,266,775</u>	<u>422,465</u>
Restricted funds		<u>4,890</u>	<u>20,407</u>
TOTAL FUNDS		<u>1,271,665</u>	<u>442,872</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 12 May 2023 and were signed on its behalf by:



P1 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

THE KINGS THEATRE TRUST LIMITED

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
	<u>1,573,897</u>	<u>370,938</u>	<u>1,944,835</u>
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)
	<u>(168,764)</u>	<u>12,691</u>	<u>(156,073)</u>
Total	1,405,133	383,629	1,788,762

THE KINGS THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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.

THE KINGS THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2022

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
	<u>351,698</u>	<u>930,268</u>

Donated services relate to IT services of £15,000 (2021: £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 2022**

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
	<u>308,578</u>	<u>894,655</u>

3. INVESTMENT INCOME

	2022 £	2021 £
Deposit account interest	19	1
	<u>19</u>	<u>1</u>

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
		<u>2,322,082</u>	<u>222,466</u>

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
	<u>1,743,042</u>	<u>101,964</u>	<u>1,845,006</u>

THE KINGS THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

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
	<u>1,743,042</u>	<u>1,266,349</u>

7. SUPPORT COSTS

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

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

Management

	2022	2021
	Operation of the theatre	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	-
	<u>52,717</u>	<u>54,398</u>

THE KINGS THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

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
	<u>49,247</u>	<u>29,395</u>

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
	<u>85,849</u>	<u>109,771</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 (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	-	-
	<u>919,532</u>	<u>711,622</u>

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

	2022	2021
Administrative staff	9	9
Operational staff	27	20
	<u>36</u>	<u>29</u>

THE KINGS THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

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

THE KINGS THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

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

THE KINGS THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

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.

THE KINGS THEATRE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022**

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
	<u>910,735</u>	<u>1,343,931</u>

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	<u>618,813</u>	<u>1,062,823</u>
Carried forward	<u>651,162</u>	<u>1,062,823</u>

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

	2022	2021
	£	£
Bank loans (see note 19)	<u>137,242</u>	<u>154,728</u>

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	<u>18,831</u>	<u>14,036</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>75,240</u>	<u>93,512</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans after more than 5 years	62,002	61,216

THE KINGS THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

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)
	<u>1,073,787</u>	<u>192,988</u>	<u>4,890</u>	<u>1,271,665</u>	<u>442,872</u>

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
	<u>422,465</u>	<u>844,310</u>	<u>1,266,775</u>
Restricted funds			
Development Project Fund	15,868	(15,517)	351
Feasibility study	4,539	-	4,539
	<u>20,407</u>	<u>(15,517)</u>	<u>4,890</u>
TOTAL FUNDS	<u>442,872</u>	<u>828,793</u>	<u>1,271,665</u>

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	<u>2,673,799</u>	<u>(1,845,006)</u>	<u>828,793</u>

THE KINGS THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

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
	<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>

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)	-
	<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>

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.

THE KINGS THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

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.