

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

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023
FOR
THE KINGS THEATRE TRUST LIMITED**

THE KINGS THEATRE TRUST LIMITED

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FOR THE YEAR ENDED 31 AUGUST 2023**

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THE KINGS THEATRE TRUST LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023**

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

OBJECTIVES AND ACTIVITIES

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

PUBLIC BENEFIT

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

THE KINGS THEATRE TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023

ACHIEVEMENT AND PERFORMANCE

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

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

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

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

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

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

ACHIEVEMENTS IN 2022/23

- PROGRAMMING AND AUDIENCES

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

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

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

THE KINGS THEATRE TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023

- IN-HOUSE PRODUCTIONS

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

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

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

- TECHNICAL INVESTMENT

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

- OUTREACH AND PARTICIPATION

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

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

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

- KINGS THEATRE ARTS ACADEMY

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

- INCLUSION

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

THE KINGS THEATRE TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023

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

19 volunteers support our work and the delivery of activities.

- HISTORICAL COLLECTION

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

MANAGEMENT AND GOVERNANCE

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

FINANCES

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

RESERVES POLICY

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

PAY POLICY FOR SENIOR STAFF

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

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

- One director acts as CEO on a voluntary basis.

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

RISK MANAGEMENT

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

THE KINGS THEATRE TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

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

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

Induction and training of new trustees

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

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03983443 (England and Wales)

Registered Charity number

1088254

Registered office

The Kings Theatre
Albert Road
Southsea
Hampshire
PO5 2QJ

Trustees

R Hasker

I Pratt

D Repton

D T Gant

Dr G Morgan

R Peck

P Woolf

Mrs P Prescott

W M Taylor

Cllr H L Mason

Ms M Costa

Resigned 21 June 2023

Appointed 13 July 2023

Appointed 8 September 2023 - post year end

Chief Executive Officer

P Woolf

R Pearce

Resigned 31 January 2024 - post year end

Appointed 31 January 2024 - post year end

Auditors

Morris Crocker Limited

Chartered Accountants

Statutory Auditors

Station House

North Street

Havant

Hampshire

PO9 1QU

THE KINGS THEATRE TRUST LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2023**

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

In so far as the trustees are aware:

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

AUDITORS

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

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


.....
D Repton - Trustee

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

Opinion

We have audited the financial statements of The Kings Theatre Trust Limited (the 'charitable company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**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: 13 May 2024

THE KINGS THEATRE TRUST LIMITED

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

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

The notes form part of these financial statements

BALANCE SHEET
31 AUGUST 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Intangible assets	12	-	3,231
Tangible assets	13	293,150	258,600
		<u>293,150</u>	<u>261,831</u>
CURRENT ASSETS			
Stocks	14	19,095	11,704
Debtors	15	155,925	101,272
Cash at bank and in hand	16	2,970,682	1,944,835
		<u>3,145,702</u>	<u>2,057,811</u>
CREDITORS			
Amounts falling due within one year	17	(1,561,773)	(910,735)
		<u>1,583,929</u>	<u>1,147,076</u>
NET CURRENT ASSETS			
		<u>1,583,929</u>	<u>1,147,076</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>1,877,079</u>	<u>1,408,907</u>
CREDITORS			
Amounts falling due after more than one year	18	(25,833)	(137,242)
		<u>1,851,246</u>	<u>1,271,665</u>
NET ASSETS			
		<u>1,851,246</u>	<u>1,271,665</u>
FUNDS	21		
Unrestricted funds:			
General fund		1,363,233	1,073,787
Designated Building Restoration fund		483,474	192,988
		<u>1,846,707</u>	<u>1,266,775</u>
Restricted funds		<u>4,539</u>	<u>4,890</u>
TOTAL FUNDS		<u>1,851,246</u>	<u>1,271,665</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 10 May 2024 and were signed on its behalf by:


D Repton - Trustee

The notes form part of these financial statements

THE KINGS THEATRE TRUST LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

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

The notes form part of these financial statements

THE KINGS THEATRE TRUST LIMITED

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

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

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

2. ANALYSIS OF CHANGES IN NET FUNDS

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

The notes form part of these financial statements

THE KINGS THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

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 2023

1. ACCOUNTING POLICIES - continued

Taxation

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

Fund accounting

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

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

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

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

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

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

Debtors and cash at bank & in hand

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

Creditors and provisions

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

2. DONATIONS AND LEGACIES

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

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

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

	2023	2022
	£	£
Operational grants receivable	<u>61,000</u>	<u>308,578</u>

THE KINGS THEATRE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

3. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	41,476	19

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

4. INCOME FROM CHARITABLE ACTIVITIES

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

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

5. CHARITABLE ACTIVITIES COSTS

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

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

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

THE KINGS THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

7. SUPPORT COSTS

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

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

Management

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

Governance costs

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

8. NET INCOME/(EXPENDITURE)

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

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

THE KINGS THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

9. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

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

10. STAFF COSTS

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

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

	2023	2022
Administrative staff	9	9
Operational staff	25	27
	<u>34</u>	<u>36</u>

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

	2023	2022
£60,001 - £70,000	1	-
	<u>1</u>	<u>-</u>

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

Key Management Personnel

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

THE KINGS THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

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

12. INTANGIBLE FIXED ASSETS

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

THE KINGS THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

13. TANGIBLE FIXED ASSETS

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

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

14. STOCKS

	2023 £	2022 £
Stocks	19,095	11,704

THE KINGS THEATRE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

16. CASH AT BANK AND IN HAND

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

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

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

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

	2023	2022
	£	£
Bank loans (see note 19)	<u>25,833</u>	<u>137,242</u>

SECURED DEBTS

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

THE KINGS THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

19. LOANS

An analysis of the maturity of loans is given below:

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

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

21. MOVEMENT IN FUNDS

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

THE KINGS THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

21. MOVEMENT IN FUNDS - continued

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

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

Comparatives for movement in funds

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

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,673,799	(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>

Building Restoration Fund

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

THE KINGS THEATRE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

21. MOVEMENT IN FUNDS - continued

Development Project Fund

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

22. EMPLOYEE BENEFIT OBLIGATIONS

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

23. CAPITAL COMMITMENTS

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

24. RELATED PARTY DISCLOSURES

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

25. ULTIMATE CONTROLLING PARTY

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

26. LEGAL STATUS OF THE CHARITABLE COMPANY

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