

KINGSTON THEATRE TRUST

and its subsidiary undertaking
A company limited by guarantee
Company No: 02497984
Registered Charity: 1000182

**CONSOLIDATED
REPORT & FINANCIAL STATEMENTS
for the period ended 31 March 2019**



**Kingston Theatre Trust
and its subsidiary undertaking**

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for the period ended 31 March 2019**

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LEGAL & ADMINISTRATIVE INFORMATION

CONSTITUTION

Kingston Theatre Trust is a company limited by guarantee and a registered charity governed by its Memorandum & Articles.

TRUSTEES/DIRECTORS

Councillor John Ayles (RBK nominee – resigned 14 May 2018)
Angellica Bell (appointed 1 July 2019)
Samir Bhamra (resigned 12 November 2019)
Andrea Craig (resigned 2 July 2018)
Emma D'Souza (appointed 10 December 2018)
Councillor Kevin Davis (RBK Nominee - appointed 10 September 2018)
Councillor Simon Edwards (RBK Nominee – appointed 1 July 2019)
Chris Foy (Chair)
Baroness Sally Hamwee
Molly Hanson-Akins
Robin Hutchinson MBE
Professor Martyn Jones
Marit Mohn
Ciara Morris (resigned 10 September 2019)
Luke Nunneley
Robert O'Dowd
Councillor Julie Pickering (RBK nominee – resigned 14 May 2018)
Jason Piper
William Price
Councillor Malcolm Self (RBK Nominee appointed 10 September 2018, resigned 8 January 2019)
David Tallis

SECRETARY

David Tallis (appointed 25 June 2018)
24-26 High Street
Kingston upon Thames
KT1 1HL

CHIEF EXECUTIVE

Robert O'Dowd

**Kingston Theatre Trust
and its subsidiary undertaking**

LEGAL & ADMINISTRATIVE INFORMATION

AUDITORS	Moore (South) LLP Registered Auditors and Chartered Accountants Priory House Pilgrims Court Sydenham Road Guildford Surrey GU1 3RX
BANKERS	Charities Aid Foundation West Malling Kent ME19 4TA NatWest Bank plc Market Place Kingston upon Thames KT1 1JX Metro Bank plc 64-66 Clarence Street Kingston upon Thames KT1 1NP
SOLICITORS	Russell-Cooke LLP 2 Putney Hill London SW15 6AB
REGISTERED OFFICE	24-26 High Street Kingston upon Thames KT1 1HL
REGISTERED CO. NUMBER	02497984
REGISTERED CHARITY NO.	1000182

**Kingston Theatre Trust
and its subsidiary undertaking**

**TRUSTEES' ANNUAL REPORT
for the period ended 31 March 2019**

The Trustees submit their report and the consolidated financial statements for the period ended 31 March 2019.

Legal & administrative information set out on pages 3 and 4 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2015 (FRS102)). The directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

STRUCTURE, GOVERNANCE & MANAGEMENT

Governing document:

Kingston Theatre Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated 1 May 1990 as amended in 1992, 2001, 2002 and 2010. It is registered as a charity with the Charity Commission. Anyone over the age of 18 can become a member of the Company and there were 15 members at the period end (16 in 2018), each of whom guarantee to contribute £1 in the event of the charity winding up.

ROSE THEATRE ENTERPRISES LTD is a wholly owned subsidiary of Kingston Theatre Trust. The company donates its surplus funds to Kingston Theatre Trust.

Appointment of trustees:

Trustees are appointed by the Board and the Royal Borough of Kingston upon Thames Council ("RBK") has the power to nominate up to two Trustees. Following the Local Council Elections in May 2018 the incumbent RBK nominees Councillors Julie Pickering and John Ayles resigned as trustees. Councillor Malcolm Self was appointed on 10 September 2018 and resigned on 8 January 2019. Councillor Kevin Davis was appointed on 10 September 2018. Councillor Simon Edwards was appointed on 1 July 2019. One third of the Board retires by rotation at the Annual Retirement Meeting and each Trustee may offer him or herself for re-election. Members may appoint a new Trustee to the Board. Any such nomination is considered by the Board, who have regard to any specialist skills needed. The Trustees provide their time and expertise without remuneration for the benefit of the charity with the exception of the Chief Executive, Robert O'Dowd.

Trustees' induction & training:

New Trustees are provided with the Charity Commission booklets about their legal obligations under charity and company law, a copy of the Memorandum & Articles of Association, and are provided with a detailed introduction to the strategic plan that is supported by the relevant current financial forecast, business plan and management accounts.

Organisation:

The Trustees meet at least six times each year to manage the affairs of the charity and oversee its administration, which is delegated on a day to day basis to the Trust's executive team. The Board of Trustees appoints sub-committees as and when the need arises. The Finance Committee monitors the affairs of the charity between full Trustee meetings.

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STRUCTURE, GOVERNANCE & MANAGEMENT (Continued)

Related parties:

The charity has a close relationship with RBK which nominates up to two Trustees (see above). Following the Local Council Elections in May 2018 the incumbent RBK nominees Councillors Julie Pickering and John Ayles resigned as trustees. Councillor Malcolm Self was appointed on 10 September 2018 and resigned on 8 January 2019. Councillor Kevin Davis was appointed on 10 September 2018. Councillor Simon Edwards was appointed on 1 July 2019. In April 2011, following earlier forms of support, RBK entered a five year service agreement with the Rose worth £500,000 gross per year. In April 2015 this agreement was superseded by a new agreement running until 31 March 2020 for the purchase of specific services and a subsidy reducing to zero over the five year term. The charity also has a close relationship with Kingston University ("KU"). In January 2014, following earlier forms of support, KU agreed to provide funding of £300,000 with a rolling process in place for future years.

KU also made a contribution of £80,000 to enable Kingston School of Art to engage more widely with the Rose Theatre

Professor Martyn Jones and Associate Professor Jason Piper are members of KU.

Risk management:

The officers undertake a risk analysis review each year to identify the major risks and to recommend that appropriate action is taken to mitigate these risks. The Trustees give close consideration to these recommendations that are reviewed each year. The principal risks relate to income - the achievement of targets for box office and development income; and the maintenance of stakeholder relationship confidence and support.

Fundraising Activities:

The charity has registered with the Fundraising Regulator and adheres to the voluntary Code of Fundraising Practice in order to give individual and organisational donors confidence that it is following best practice with regards to conducting fundraising activities and managing relationships with supporters. The charity is registered with the Fundraising Preference Service and monitors its performance to ensure awareness of any complaints made under the scheme. No complaints have been received within the reporting period. The charity does not currently use professional fundraisers or commercial participators.

Auditors:

The auditors, Moore(South) LLP, have indicated their willingness to be proposed for re-election.

AIMS, OBJECTIVES & ACTIVITIES

The objects of the charity are to advance the education of the public in all aspects of dramatic art and the public appreciation of such art by the presentation of public performances in the fields of drama, music, dance, other performance and visual arts, crafts and other such activities. The objects of the subsidiary are to carry out non-charitable activities at the Rose Theatre and beyond to produce surpluses for the benefit of the charity. The principal activities of the charity during the year were securing the continuing development of the Rose Theatre, Kingston and of presenting a programme of plays and other activities in the theatre. The strategies employed to achieve the charity's objectives include:

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AIMS, OBJECTIVES & ACTIVITIES (Continued)

- The presentation of a varied programme of plays and other performances at the Rose Theatre for the benefit of the public;
- Working with the Royal Borough of Kingston to develop the Rose Theatre as a community hub, including programmes of activities for the benefit of the local community, in particular young people including opportunities for a wide range of social, artistic and educational activities;
- Collaborating with Kingston University on the development of relevant programmes and appropriate modules for the benefit of students and faculty.
- Providing space and facilities in the theatre for a range of university events including graduation ceremonies for the benefit of students and their families and friends;
- Offering a range of programmes designed to develop confidence in the use of performance, for the benefit of people of all ages in the local community and beyond;
- Providing opportunities for exhibitions of art for the benefit of people visiting the Rose Theatre.

The Trustees confirm that they have referred to the Charity Commission's guidance on Charities and Public Benefit when reviewing the charity's aims and objectives.

ACHIEVEMENTS & PERFORMANCE

This report covers the period 26 March 2018 to 31 March 2019, but also addresses matters after the period to be timely with the publication date.

During the period 130,608 tickets were sold for theatre performances and 'one night' events. In addition to the productions, a wide range of artistic, educational, community and social events took place in the Rose Theatre.

The artistic policy of the Rose Theatre is to continue to develop as a successful producing theatre - a cultural hub for SW London. It seeks to develop a range of audiences by imaginative programming of engaging drama and entertaining family shows, maintaining high production values and seeking to stimulate both anticipation and satisfaction. The achievements of the Rose's first decade have resulted in the Theatre being widely recognised amongst both audiences and the theatre sector as a whole for the quality of our work on stage. We attract leading creatives to our own Rose Theatre productions and also work in close co-operation with selected other theatres on co-productions that extend our repertoire and mitigate the inevitable risk of new productions. The programme is also enriched with productions of high artistic quality by acclaimed visiting companies.

The theatre's auditorium has been the subject of a major renewal project, the provision of new seating throughout the front stalls has improved greatly the theatrical experience for both acting companies and audiences. The Backstage Trust was lead donor in the capital campaign which also included major gifts and grants from other donors which prefer to remain anonymous, and significant support in kind from WSP UK Ltd. The effect of the improved and extended seating has also been to increase financial return from ticket sales.

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ACHIEVEMENTS & PERFORMANCE (Continued)

During the period under review, the following Rose Theatre Productions were presented:

- GEORGE'S MARVELLOUS MEDICINE by Roald Dahl, a Leicester Curve and Rose Theatre co-production directed by Julia Thomas
- MUCH ADO ABOUT NOTHING by William Shakespeare, a Rose Theatre, Granville & Parham Productions and Antic Face co-production directed by Simon Dormandy and starring Mel Giedroyc
- HOGARTH'S PROGRESS a Rose Theatre Production of the world premiere double bill by Nick Dear directed by Anthony Banks
- DON CARLOS a Rose Theatre, Exeter Northcott and Nuffield Southampton Theatres co-production in association with ARA by Friedrich Schiller directed by Gadi Roll
- HANSEL & GRETEL a Rose Theatre production adapted by Ciaran McConville from the tales of the brothers Grimm, directed by Rosie Jones
- VIENNA 1934-MUNICH 1938: A WORK IN PROGRESS a Rose Theatre Production written and directed by Vanessa Redgrave
- ZOG a Freckle Productions and Rose Theatre world première stage adaptation based on the best-selling book by Julia Donaldson and Axel Scheffler, directed by Mike Shepherd
- STONES IN HIS POCKETS a Rose Theatre and Theatre Royal Bath Production, in association with McCarter Theatre Center, by Marie Jones directed by Lindsay Posner

The programme of visiting productions for the period was:

- SHERLOCK HOLMES: THE FINAL CURTAIN presented by Theatre Royal Bath
- WHAT THE LADYBIRD HEARD presented by Kenny Wax
- LITTLE BABY BUM presented by Brooke Mauchline Productions and Nicoll Entertainment
- THE GRUFFALO'S CHILD presented by Tall Stories
- SIX presented by Kenny Wax
- REBUS: LONG SHADOWS presented by Daniel Schumann, Lee Dean and Cambridge Arts Theatre in association with Birmingham Repertory Theatre
- A SONG AT TWILIGHT presented by Theatre Royal Bath

Highlights amongst 'one night' events include comic performers Harry Hill, Jason Manford, Nish Kumar and Mark Steel, as well as musical performances from The Royal Philharmonic Orchestra, The Blues Band, The James Taylor Quartet and Ronnie Scott's All Stars. One man shows were presented by Sir Ranulph Fiennes, Jason Donovan and Sir Ian McKellen.

In June we hosted the fifth Ignition Dance Festival produced by DanceWest, providing a showcase for the UK's finest choreography alongside community based dance groups. October saw the début visit by Ballet Black.

The Rose continued its commitment to supporting performances by children and young people with the return of The International Youth Arts Festival (IYAF) in June and the Shakespeare Schools Festival in November.

During the period Take Part, our programme of activity for the benefit of young people and others in the local community, continued to grow and we now have 1,209 (2018 - 2019) individuals within the community directly engaged with the Rose and stage performance. Following the successful pattern created in the Christmas show of 2014, the acting company of HANSEL & GRETEL comprised both professional actors and 42 members of the Rose Young Company.

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ACHIEVEMENTS & PERFORMANCE (Continued)

The relationships with RBK and KU continued warmly and strongly during the year and both organisations acknowledge that Kingston Theatre Trust is well established in their communities.

The annual assessment produced by the officers of RBK showed the wide range of benefits the people of Kingston enjoy as a result of the Council's support and its relationship with the Rose. These include an education and participation programme for young people and children, the ticketing scheme, libraries outreach work, Kingston Music Service performance opportunities and schools outreach.

In the setting of its valued relationship with Kingston University, the Rose works across all the faculties of the University helping to build employability skills for graduates and serving as a civic portal enabling the University to engage with a wider community.

The agreements that the Rose has with each of the two organisations enable activities for the benefit of large numbers of people of all ages across the borough and the University. Particular examples included 2,975 free tickets for local school children; frequent University activity, events and ceremonies; other community events ranging from First Tuesdays Jazz performances, KUDOS showcase, civic celebrations and fundraising events; several Shakespeare symposia and a number of music festivals for infant, junior and secondary schools.

PLANS FOR FUTURE PERIODS

Following the strategic and operational changes in the previous periods, 2019/20 will build on the strengthened strategy and focus on audience, development and sustainable charitable objectives. The ongoing aim is to secure the future of the Rose through a balanced combination of box office success, development income and continuing stakeholder support to achieve financial results that eliminate deficit and begin to allow contribution to essential reserves. Central to the plan, alongside the Theatre's generation of box office and trading income, and development fund raising, are the supportive relationships with the two main stakeholders of RBK and KU.

The current five year agreement with RBK began in April 2015 and runs to March 2020. RBK has continued to provide strong support for the Rose and its established strategy. Following RBK's statement in June 2019 of commitment to the Rose theatre and continuation of its financial support, discussions about a new long term funding agreement have been taking place between the administration and the theatre. The talks are progressing well, in a spirit of practical partnership and will reach an agreement soon, which takes into account the challenges and opportunities of both the theatre and the administration.

The Rose executive and the senior management team of KU continued to bring the Rose and the University closer together and will continue to deepen and extend this relationship during the coming year.

The continued critical and box office success of Rose Productions in the period promotes interest from leading theatre directors, and also the potential for new co-production partnerships.

Building on the enthusiasm and strong audience growth for family shows and success of previous Easter productions *THE WITCHES* (2016), *THE TWITS* (2017) and *GEORGE'S MARVELLOUS MEDICINE* (2018), 2019/20 started with *THE CAT IN THE HAT* by Dr Seuss, adapted by Katie Mitchell and directed by Suba Das: a co-production with Leicester Curve.

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PLANS FOR FUTURE PERIODS (cont.)

Our first drama for the year was CAPTAIN CORELLI'S MANDOLIN a Rose Theatre co-production with Neil Laidlaw, Church & State Productions and Birmingham Repertory Theatre. The show garnered both critical acclaim and an enthusiastic reception from our audiences before a regional tour during the summer and transferring to the Harold Pinter Theatre in London's West End in July 2019.

Following five highly successful Christmas family shows, in 2019 we will be staging a new version of the Hans Christian Andersen tale THE SNOW QUEEN. Professional actors and musicians will once again be joined in performance by members of the Rose Young Company.

The Rose's very successful world premiere of the four Elena Ferrante novels in its staging of MY BRILLIANT FRIEND parts I & II, transfers to the Olivier stage at the National Theatre in November 2019.

The Rose's artistic leadership will be strengthened further when Christopher Haydon takes up his new responsibility as Artistic Director at the start of 2020.

The report on the economic impact on Kingston made by the Rose showed evidence of very significant gains to the local economy, outside the theatre itself. The independent report has been shared with RBK and has informed discussions about its future relationship of support for the theatre.

SUPPORTERS

The Trust is very grateful to all those who have provided support for the Rose Theatre whether financial or in offering their time and skills as unpaid volunteers.

During the year there were 121 (2018 – 123) volunteers for which no income or cost is recognised in the accounts.

Major financial support has been provided by the following individuals and organisations:

Stakeholders

Kingston University
Royal Borough of Kingston

Founding Sponsor

CNM Estates

Lottery Funder

Grants for the Arts Lottery Funding
awarded by Arts Council England

Education Partner

Kingston Grammar School

Corporate Supporters

Cattaneo Commercial
Chakra
Clear Group
Côte Brasserie
Doubletree Hilton Kingston
Gourmet Burger Kitchen
Graphic Design House
Hamptons International
Keystone Wealth Management
Las Iguanas

Lipmann Walton & Co Ltd

Pearson Hards
Poor Boys
Riverside Vegetaria
Riverside Walk
Russell-Cooke Solicitors
Seriously Sofas
TCS Media
The Rolex Mentor & Protégé Arts
Initiative
The Royal Norwegian Embassy
Warren House

Benefactors

Dickie & Susan Bannenberg
Andrew & Ann Connolly
Sandy Gavshon
Baroness Sally Hamwee
Simon & Wanda Higman
David & Annie Lass
David & Julie Lainchbury
Jeanette Rowell
Bob Steed
Brian & Angela Willman

Patrons

Tony & Kate Best
Michael & Rosemary Bibby
Nick & Liz Bliss
Timothy & Angela Combe
Nigel Duffin
Kay Galbraith
Andrew & Maggie Gallagher
Stephen & Rosemary Gare
Victoria Glaysher
Sanjeev, Rachel, Jai & Anjali Gupta
Mark & Sophie Lewisohn
Anthony Lipmann
Martina Massimi Klimova
Patrick & Marion O'Donovan
Robert & Scilla O'Dowd
Bob Phillips & Anna Cunyngham
Bill Price
Ian & Mary Reid
Donald Rogers
Jenny Titterton
Peter Wear
Robert Wolf

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SUPPORTERS (cont.)

Associates

Ann Beasley Manders
Stephen Brenninkmeijer
Jane Cox
Rob Cullen
Michael & Mary Davison
Jennie Drimmer & Daniel Kline
Bruce Gray
John Hackett
Nigel Hardy
Brian Hornsby
Geoff Howard
John & Martha Jessop
Nina Kaye & Timothy Nathan
Bill & Christine McMurray
Susan Paine

Brian Smith
David Tallis
Bruce & Sibylla Tindale

Life Friends

Ian & Wendelien Bellinger
Will Bland & Tricia Welch Bland

Supporters

Big Give Christmas Challenge
Supporters
Rose Loyalty Card Holders
And all those who wish to remain
anonymous

Trusts & Foundations

The Garfield Weston Foundation
The Jectus Trust
The Backstage Trust
Rowan Bentall Charitable Trust

Director's Circle

Chris & São Foy
Marit Mohn
Ian & Feliz Page
Robert Westlake

Producer's Circle

Agnes Hewitt-Smith
Luke & Kate Nunneley
Peter & Cherill Scott

FINANCIAL REVIEW

The results for the period set out in the annexed statement of financial activities show incoming resources have increased from £3,380,792 in 2018 to £4,016,380 in 2019.

Total resources expended have increased from £3,470,263 to £4,018,602.

This has resulted in net outgoing funds for the period of £2,222 (2018 – £89,471).

Investment powers and policy

Under the memorandum and articles of association, the charity has the power to make any investment that the Trustees see fit.

GOING CONCERN

The current five-year agreement between RBK and the theatre runs to March 2020. It provides for financial support to Kingston Theatre Trust, increasing the resilience and economic sustainability of the Rose Theatre. It recognises the large cultural contribution and the wide range of civic services provided by the theatre. Under the agreement, RBK pays £265,000 pa gross to Kingston Theatre Trust, against which is offset rent on the premises paid to Kingston Theatre LLP. There was additionally a small grant that has decreased to zero over the term. Following RBK's statement in June 2019 which reiterated the importance of the Rose Theatre to the borough and committed to the continuation of financial support, discussions about a new long term funding agreement have been taking place between RBK and the theatre. The talks are progressing well, in a spirit of practical partnership and the anticipated agreement will be confirmed by the Rose Board and as part of the Council's budget setting process in February 2020. Both RBK and the theatre are confident that an agreement can be reached which takes into account the challenges and opportunities faced by both organisations.

The charity also has a close relationship with KU and a new service agreement was signed in January 2014 under which the University will continue to support the Rose Theatre with a rolling process in place for future years to the value of £380,000 pa.

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**TRUSTEES' ANNUAL REPORT
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GOING CONCERN (cont.)

The Trustees have reviewed the results against the strategic plan and budgets to 31st March 2020 to ensure the Trust is still on track. The forecasts include estimates of future receipts of box office income, donations and grants. The forecasts are refreshed and reviewed by the Finance Committee and the Trustees. A separate Development Committee is tasked with scrutinising and boosting fundraising efforts. Kingston Theatre Trust continues to pursue appropriate commercial opportunities that will increase income on food and drink sales, hires and merchandise sales and has already generated growth in these areas.

The single most important component of the theatre's financial model is provided by box office income which puts the quality of its artistic programme at the very heart of the theatre's business sustainability. A new Artistic Director, Christopher Haydon has been successfully recruited and will commence in January 2020. Christopher Haydon is outstandingly qualified to strengthen the attainment and reputation of the theatre. Box office income represents 60% of our earned income so this appointment is the strongest reinforcement of our strategy to become more financially sustainable.

The Trustees have considered the appropriateness of the theatre's strategy, the financial outcomes of its own endeavours and the continuing support from the two principal stakeholders. They consider that the Company and Group will continue to be able to operate and achieve progressively a more satisfactory balance between combined income streams and the overall costs of operations.

In the current economic climate, while there remains some uncertainty about the timing and value of some of the income streams, the Trustees judge that alongside the anticipated support from RBK and KU, sufficient funds will be generated from ticket sales, fundraising initiatives and diversification of activities, for the going concern basis to be appropriate for the preparation of the financial statements.

Reserves Policy

The Trustees believe that the General Fund should be increased progressively in the medium term to create cash reserves that will provide a contingency against unforeseen shortfalls and build up funds to maintain and replace equipment over time.

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TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

Statement of Trustees' responsibilities in respect of the Financial Statements

The Trustees (who are also Directors of Kingston Theatre Trust for the purposes of Company Law) are responsible for preparing the Trustees Report and consolidated 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 consolidated financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 Charities SORP 2015 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. 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.

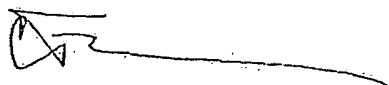
Statement of disclosure to auditor

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 auditor is aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Board



Chris Foy, Chairman

Date: 10 December 2019

**Kingston Theatre Trust
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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS AND TRUSTEES OF KINGSTON THEATRE TRUST
for period ended 31 March 2019**

Opinion

We have audited the financial statements of Kingston Theatre Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the period ended 31 March 2019 which comprise the Statement of Financial Activities, the Group and Kingston Theatre Trust Balance Sheet, 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2019, and of the group's incoming resources and application of resources, including its income and expenditure, for the period 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 Companies Act 2006 and the Charities Act 2011.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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.

Material uncertainty relating to going concern

We draw attention to note 1 in the financial statements concerning the charitable company's ability to continue as a going concern. The charitable company incurred a loss of £2,222 for the period ended 31 March 2019, and at that date the charitable company reported net current liabilities of £373,757. These conditions, along with the other matters as explained in note 1 to the financial statements, indicate a material uncertainty exists that may cast significant doubt about the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS AND TRUSTEES OF KINGSTON THEATRE TRUST
for the period ended 31 March 2019**

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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13 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 group's and parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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TO THE MEMBERS AND TRUSTEES OF KINGSTON THEATRE TRUST
for the period ended 31 March 2019**

Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

This report is made solely to the charitable company's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Moore (South) LLP

**Moore (South) LLP
Chartered Accountants
Statutory Auditor**

Priory House, Pilgrims Court
Sydenham Road, Guildford GU1 3RX

Date: 16 December 2019

Moore(South) LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**Kingston Theatre Trust
and its subsidiary undertaking**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Consolidated Income and Expenditure Account)
for the period ended 31 March 2019**

	Note	Restricted Capital 2019 £	Restricted Revenue 2019 £	Unrestricted 2019 £	TOTAL 2019 £	TOTAL 2018 £
Income from:						
Donations and legacies	2	192,250	50,657	326,898	569,805	424,545
Charitable activities	3	-	35,000	3,115,135	3,150,135	2,802,835
Other trading activities	4	-	-	296,045	296,045	153,225
Investments	5	-	-	395	395	187
Total income		192,250	85,657	3,738,473	4,016,380	3,380,792
Expenditure on:						
Raising funds	6	704	-	234,431	235,135	197,884
Charitable activities	7	55,726	40,917	3,659,786	3,756,429	3,249,621
Other	10	6,788	-	20,250	27,038	22,758
Total expenditure		63,218	40,917	3,914,467	4,018,602	3,470,263
Net income		129,032	44,740	(175,994)	(2,222)	(89,471)
Transfer between funds		(11,974)	-	11,974	-	-
Net movements in funds	11	117,058	44,740	(164,020)	(2,222)	(89,471)
Reconciliation of funds:						
Total funds brought forward		128,517	15,168	1,117,620	1,261,305	1,350,776
Total funds carried forward		245,575	59,908	953,600	1,259,083	1,261,305

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

As permitted by the Statement of Recommended Practice (FRS102), the parent undertaking's own statement of financial activities has not been included in these financial statements.

The gross income of the parent undertaking for the financial period was £5,229,150 (2018: £3,957,338) and the result for the period was a surplus of £79,848 (2018: deficit of £171,541).

**Kingston Theatre Trust
and its subsidiary undertaking
Registered Number 02497984**

**BALANCE SHEET
31 March 2019**

	Note	2019 31 March Group £	2018 25 March Group £	2019 31 March Trust £	2018 25 March Trust £
Fixed assets					
Tangible Assets	15a	1,632,838	1,518,020	1,632,838	1,518,020
Investments	15b	-	-	1	1
		<u>1,632,838</u>	<u>1,518,020</u>	<u>1,632,839</u>	<u>1,518,021</u>
Current assets					
Stock	17	5,360	4,662	5,360	4,662
Debtors	16	603,888	515,479	645,818	404,361
Cash at bank and in hand		312,925	305,350	257,818	292,760
		<u>922,173</u>	<u>825,491</u>	<u>908,996</u>	<u>701,783</u>
Creditors					
Amounts falling due within one year	18	<u>1,295,928</u>	<u>1,082,206</u>	<u>1,282,752</u>	<u>1,040,569</u>
		<u>1,295,928</u>	<u>1,082,206</u>	<u>1,282,752</u>	<u>1,040,569</u>
Net current liabilities		<u>(373,756)</u>	<u>(256,715)</u>	<u>(373,757)</u>	<u>(338,786)</u>
Net assets		<u>1,259,083</u>	<u>1,261,305</u>	<u>1,259,083</u>	<u>1,179,235</u>
Charity funds					
Unrestricted Funds – general	20	901,176	1,008,084	901,176	926,014
Unrestricted Funds – designated	20	52,424	109,536	52,424	109,536
		<u>953,600</u>	<u>1,117,620</u>	<u>953,600</u>	<u>1,035,550</u>
Restricted Funds	20	305,483	143,685	305,483	143,685
Total charity funds		<u>1,259,083</u>	<u>1,261,305</u>	<u>1,259,083</u>	<u>1,179,235</u>

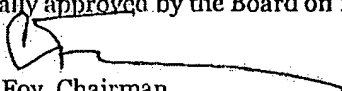
For the period ended 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. However, an audit is required in accordance with section 43 of the Charities Act 2011.

Trustees' responsibilities:

- The trustees have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2016.

Formally approved by the Board on 10 December 2019 and signed on its behalf by:


Chris Foy, Chairman

The notes on pages 20 to 40 form part of these financial statements.

**Kingston Theatre Trust
and its subsidiary undertaking**

**STATEMENT OF CASH FLOWS
31 March 2019**

	Note	2019 31 March Group £	2018 25 March Group £	2019 31 March Trust £	2018 25 March Trust £
Cash flows from operating activities					
Net cash provided by operating activities	26	224,201	(41,940)	99,614	(35,191)
Cash flows from investing activities					
Dividends and interest from investments and bank		395	187	395	187
Deed of covenant from subsidiary				82,070	
Purchase of property, plant and equipment		(217,021)	(57,583)	(217,021)	(57,583)
Net cash used in investing activities		(216,626)	(57,396)	(134,556)	(57,396)
Change in cash and cash equivalents in the reporting period		7,576	(99,336)	(34,941)	(92,587)
Cash and cash equivalents at the beginning of reporting period		305,350	404,686	292,760	385,347
Cash and cash equivalents at the end of the reporting period		312,925	305,350	257,818	292,760

**Kingston Theatre Trust
and its subsidiary undertaking**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period ended 31 March 2019**

1. Summary of accounting policies

The principal accounting policies which are adopted in the preparation of the financial statements are set out below.

a) Company status

The company is a company listed by guarantee and has no share capital. The company was incorporated on 1 May 1990 in England and was registered with the Charity Commission 29 August 1990. The members of the company are the Trustees named on page 3. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company. The address of the registered office is given on page 4 of these financial statements. The nature of the charity's operations and principal activities are explained in the Trustees Report.

The charity constitutes a public benefit as defined by FRS102.

b) Basis of accounting

The financial statements have been prepared in accordance with the charitable company's Articles of Association, 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 (FRS 102) (as amended for accounting periods commencing from 1 January 2016) and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency and have been rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies are outlined below.

c) Going concern

The current five-year agreement between RBK and the theatre runs to March 2020. It provides for financial support to Kingston Theatre Trust, increasing the resilience and economic sustainability of the Rose Theatre. It recognises the large cultural contribution and the wide range of civic services provided by the theatre. Under the agreement, RBK pays £265k pa gross to Kingston Theatre Trust, against which is offset rent on the premises paid to Kingston Theatre LLP. There was additionally a small grant that has decreased to zero over the term. Following RBK's statement in June 2019 which reiterated the importance of the Rose Theatre to the borough and committed to the continuation of financial support, discussions about a new long term funding agreement have been taking place between RBK and the theatre. The talks are progressing well, in a spirit of practical partnership and the anticipated agreement will be confirmed by the Rose Board and as part of the Councils budget setting process in February 2020. Both RBK and the theatre are confident that an agreement can be reached which takes into account the challenges and opportunities faced by both organisations.

The charity also has a close relationship with KU and a new service agreement was signed in January 2014 under which the University will continue to support the Rose Theatre with a rolling process in place for future years to the value of £380,000 pa.

The Trustees have reviewed the results against the strategic plan and budgets to 31st March 2020 to ensure the Trust is still on track. The forecasts include estimates of future receipts of box office income, donations and grants. The forecasts are refreshed and reviewed by the Finance Committee and the Trustees. A separate Development Committee is tasked with scrutinising and boosting fundraising efforts. Kingston

**Kingston Theatre Trust
and its subsidiary undertaking**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period ended 31 March 2019**

c) Going concern (continued)

Theatre Trust continues to pursue appropriate commercial opportunities that will increase income on food and drink sales, hires and merchandise sales and has already generated growth in these areas.

The single most important component of the theatre's financial model is provided by box office income which puts the quality of its artistic programme at the very heart of the theatre's business sustainability. The theatre has been delighted to announce the appointment of a new Artistic Director in post January 2020, who is outstandingly qualified to strengthen progressively the attainment and reputation of the theatre in this regard.

The Trustees have considered the appropriateness of the theatre's strategy, the financial outcomes of its own endeavours and the continuing support from the two principal stakeholders. They consider that the Company and Group will continue to be able to operate and achieve progressively a more satisfactory balance between combined income streams and the overall costs of operations.

In the current economic climate, while there remains some uncertainty about the timing and value of some of the income streams, the Trustees judge that alongside the anticipated support from RBK and KU, sufficient funds will be generated from ticket sales, fundraising initiatives and diversification of activities, for the going concern basis to be appropriate for the preparation of the financial statements.

d) Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that the income will be received.

Donations and grants

Cash donations are recognised on receipt. Other donations and grants are recognised once the charitable company has been notified, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under gift is recognised at the time of the donation.

Charitable activities

Income received in advance of a theatrical performance or provision of other services such as catering, programme sales and tuition fees earned through the learning and participation programme is deferred until the performance or services have taken place.

Other trading activities

Income from fundraising events is recognised once the event has taken place. Royalty income from touring shows is recognised on receipt of independent tour accounts in arrears.

e) Interest receivable

Interest is included when receivable by the charity.

**Kingston Theatre Trust
and its subsidiary undertaking**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period ended 31 March 2019**

f) Expenditure

Expenditure, including any irrecoverable VAT, is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise of trading costs and the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it.
- Charitable activities include expenditure associated with the following: staging of concerts, stage productions, art exhibitions, educational programmes and programme and catering sales income. This type of expenditure includes both the direct costs and support costs relating to these activities.
- Other expenditure represents those items not falling into any other heading.

g) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly relate to costs of raising funds or charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trusts activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 8.

h) Donated goods and services

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Donations which are given for subsequent auction as prizes at events are valued at fair value where possible. Those items which do not have a readily available fair value are not included.

i) Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term, even if the payments are not made on such a basis.

**Kingston Theatre Trust
and its subsidiary undertaking**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period ended 31 March 2019**

j) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Individual fixed assets costing £150 or more are capitalised at cost. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation has been provided at rates calculated to write off the cost of each asset less their residual value over its estimated useful life. The principal annual rates in use are:

Equipment, furniture and fittings	10% to 33% on cost depending on useful life
Long leaseholds	Over the period of the lease

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Statement of Financial Activities for the period.

k) Impairment of fixed assets

At each reporting date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

l) Fixed asset investments

Investment in the subsidiary is measured at cost.

m) Fund accounting

Funds held by the charity are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects. The aim and use of each designated fund is set out in the note of the financial statements.

Restricted funds – these are funds that 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. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

n) Stock

Stock is recorded at the lower of cost or net realisable value, after making due allowance for obsolete or slow moving items.

o) Debtors

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

**Kingston Theatre Trust
and its subsidiary undertaking**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period ended 31 March 2019**

p) Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions

Creditors and provisions are recognised where the charity 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.

r) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

s) Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

t) Pensions

The Charity contributes to a defined contribution scheme on behalf of its employees. The assets of the scheme are held separately, from those of the company in an independently administered fund. The pension cost charged to the Statement of Financial Activities represents the amount due in the accounting period.

Contributions were also made on behalf of artists who were members of the Equity UK Pension Scheme.

u) Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

v) Basis of consolidation

The financial statements are consolidated to represent the position of Kingston Theatre Trust and its subsidiary undertaking. A separate statement of financial activities is not prepared as permitted by Section 408 of the Companies Act 2006.

**Kingston Theatre Trust
and its subsidiary undertaking**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period ended 31 March 2019**

w) Taxation

The charity is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

The subsidiary company has claimed Theatre Tax Credit relief afforded by Part 15c of the Corporation Taxes Act 2009. The income receivable has been included within Incoming Resources from Charitable Activities.

x) Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical estimates

The following estimates have the most significant effect on amounts recognised in the financial statements.

Depreciation of leasehold property

Trustees consider the depreciation policy of the leasehold property annually and compare against other similar entities. Leasehold property is depreciated over the life of the lease, 125 years.

**Kingston Theatre Trust
and its subsidiary undertaking**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period ended 31 March 2019**

2 Income from donations and legacies

	2019 £	2018 £
Unrestricted		
Donations	101,898	97,577
Grants	225,000	225,000
	<u>326,898</u>	<u>322,577</u>
Restricted		
Donations	167,907	93,768
Grants	75,000	8,200
	<u>242,907</u>	<u>101,968</u>
	<u>569,805</u>	<u>424,545</u>

£Nil (2018 - £1,000) of government grants were received for production research and development

3 Income from charitable activities

The income was primarily from the operation of the theatre.

	2019 £	2018 £
Box office income	1,988,818	1,640,500
Programme, catering and hires income	454,933	483,931
Stakeholder support	435,000	455,000
Learning & participation income	271,384	223,404
	<u>3,150,135</u>	<u>2,802,835</u>

Income from charitable activities was £3,150,135 (2018 - £2,802,835) of which £35,000 (2018 - £35,000) was attributable to restricted and £3,115,135 (2018 - £2,767,835) was attributable to unrestricted funds.

4 Income from other trading activities

	2019 £	2018 £
Fundraising events	106,863	29,957
Royalties and touring productions	20,693	34,978
Trading subsidiaries	168,489	88,290
	<u>296,045</u>	<u>153,225</u>

All income from other trading activities for 2019 and 2018 was unrestricted.

**Kingston Theatre Trust
and its subsidiary undertaking**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period ended 31 March 2019**

5 Income from investments

	2019 £	2018 £
Interest receivable	395	187
	<u>395</u>	<u>187</u>
	=====	=====

All interest receivable for 2019 and 2018 was unrestricted.

6 Analysis of expenditure on raising funds

	2019 £	2018 £
Fundraising costs of grants and donations:		
Fundraisers fees and salaries	110,935	102,753
Other direct costs	35,580	23,467
Support costs (note 8)	87,155	70,632
Depreciation (note 9)	1,465	1,032
	<u>235,135</u>	<u>197,884</u>
	=====	=====

Expenditure on raising funds was £235,135 (2018 - £197,884) of which £704 (2018 - £496) was attributable to restricted funds.

7 Analysis of expenditure on charitable activities

	Box Office & Production Income £	Learning & Participation £	Front of House & Catering £	Total 2019 £	Total 2018 £
Productions	2,027,885	-	-	2,027,885	1,633,938
Learning & Participation	-	238,495	-	238,495	203,916
Front of House, Catering & Hires	-	-	288,227	288,227	274,377
Support costs (note 8)	835,882	124,778	140,424	1,101,084	1,039,543
Depreciation (note 9)	72,639	1,904	26,195	100,738	97,847
	<u>2,936,406</u>	<u>365,177</u>	<u>454,846</u>	<u>3,756,429</u>	<u>3,249,621</u>
	=====	=====	=====	=====	=====

Expenditure on charitable activities was £3,756,429 (2018 - £3,249,621) of which £96,643 (2018 - £86,160) was attributable to restricted funds.

**Kingston Theatre Trust
and its subsidiary undertaking**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period ended 31 March 2019**

8 Allocation of support costs

	Basis of Allocation	Raising Funds £	Box Office & Production Income £	Learning & Production £	Front of House & Catering £	Total 2019 £	Total 2018 £
Marketing	Time	17,404	261,058	41,769	27,846	348,077	353,641
Box Office	BO Income	14,386	160,242	22,439	-	197,067	185,172
Premises	Gross revenue generated by business activity	27,808	264,925	36,150	60,600	389,483	345,556
Management & Central resource	Time	18,176	109,059	18,176	36,353	181,764	169,233
IT	Headcount	7,844	31,377	4,707	12,551	56,479	48,923
Other	Time as per management & central resources	1,537	9,221	1,537	3,074	15,369	7,650
		<u>87,155</u>	<u>835,882</u>	<u>124,778</u>	<u>140,424</u>	<u>1,188,239</u>	<u>1,110,175</u>

9 Allocation of depreciation

	Basis of Allocation	Raising Funds £	Box Office & Production Income £	Learning & Production £	Front of House & Catering £	Total 2019 £	Total 2018 £
Leasehold	Gross revenue generated by business activity	761	7,250	989	1,658	10,658	10,658
Bar & Front of House equipment	Identifiable assets	-	-	-	23,004	23,004	18,125
Transferred assets	Identifiable assets	-	57,113	-	-	57,113	60,239
Boiler refurbishment	Gross revenue generated by business activity	704	6,704	915	1,533	9,856	9,856
Auditorium project	Identifiable Assets	-	1,572	-	-	1,572	-
		<u>1,465</u>	<u>72,639</u>	<u>1,904</u>	<u>26,195</u>	<u>102,203</u>	<u>98,878</u>

10 Other costs

	2019 £	2018 £
Governance costs		
External audit	11,750	12,000
Other fees paid to auditors	168	140
Other taxation advice	5,250	5,750
Indemnity Insurance	977	1,050
Legal and professional charges	8,893	3,818
	<u>27,038</u>	<u>22,758</u>

Expenditure on other costs was £27,038 (2018 - £22,758) of which £6,788 (2018 - £Nil) was attributable to restricted funds.

**Kingston Theatre Trust
and its subsidiary undertaking**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period ended 31 March 2019**

11 Net income/ (expenditure) for the year

This is stated after charging the following:

	2019 £	2018 £
Operating lease rentals	87,940	60,859
Depreciation	102,203	98,878
Auditors remuneration - Audit	11,750	12,000
Auditors remuneration - Other services	168	140
Staff and artists' costs	1,801,595	1,438,712

12 Trustees' and key management personnel remuneration and expenses

Other than the Chief Executive, trustees neither received nor waived any remuneration, fees or expenses during the year for their duties (2018 - £Nil). See note 13 for information on amounts paid to the Chief Executive.

During the year 2 (2018 -1) trustees received fees of £5,353 for work performed (2018 - £7,108) and 1 trustee (2018 - 1) provided gifts in kind to the value of £16,000 (2018 - £36,800).

The total amount of employee benefits received by key management personnel is £Nil (2018 - £Nil). The total amount of remuneration received by key management personnel is as follows:

	2019 £	2018 £
Key management remuneration	244,646 =====	178,079 =====

No (2018 – none) trustees are accruing pension arrangements.

During the year the trust paid £977 (2018 - £1,050) in respect of Trustees Indemnity Insurance.

**Kingston Theatre Trust
and its subsidiary undertaking**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period ended 31 March 2019**

13 Staff and employee benefits

The average monthly headcount during the year was as follows:

	2019 Number	2018 Number
Raising funds	3	3
Charitable activities	58	59
Governance	1	1
	<u>62</u>	<u>63</u>

The average monthly number of employees on permanent contract during the year was 36 people (2018 – 36). The average number of employees on short term and casual contracts during the year was 26 people (2018 – 27). The average number refers to the number of individual employees each week irrespective of the number of hours worked.

2 employees (2018 – 2) earned over £60,000, totalling £123,024 (2018 – £121,806) in the year.

The total staff costs and employee benefits was as follows:

	2019 £	2018 £
Wages and salaries	1,131,944	1,029,741
Social security costs	89,850	81,117
Pension costs	14,940	6,728
	<u>1,236,734</u>	<u>1,117,586</u>
Staff recruitment costs	1,813	2,950
Amounts paid to third parties for Director's services	76,416	75,661
Amounts paid to third parties for artists' fees & consultancy	479,620	241,239
Amounts paid to third parties for artists' pension costs	7,012	3,276
	<u>1,801,595</u>	<u>1,440,712</u>

The Articles of the Charity were amended in June 2010 to permit reasonable remuneration to be paid to the Chief Executive, if that person is a Trustee. Payments to Robert O'Dowd while he was Chief Executive during the year were £76,416 (2018 - £75,661) and expenses of £4,960 (2018 - £4,428). Expenses reimbursed related to travel and subsistence costs, entertaining costs and office sundry costs. No other trustees received reimbursements for expenses

14 Taxation

No charge arises due to the charitable status of the charitable company.

**Kingston Theatre Trust
and its subsidiary undertaking**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period ended 31 March 2019**

15a Tangible fixed assets

	Group			Trust		
	Leasehold Property £	Equipment £	Total £	Leasehold Property £	Equipment £	Total £
Cost						
At 25 March 2018	1,334,583	584,337	1,918,920	1,334,583	584,337	1,918,920
Additions	-	217,021	217,021	-	217,021	217,021
Disposals	-	(19,856)	(19,856)	-	(19,856)	(19,856)
At 31 March 2019	1,334,583	781,502	2,116,085	1,334,583	781,502	2,116,085
Depreciation						
At 25 March 2018	109,268	291,632	400,900	109,268	291,632	400,900
Charge for period	10,658	91,545	102,203	10,658	91,545	102,203
Eliminated on disposals	-	(19,856)	(19,856)	-	(19,856)	(19,856)
At 31 March 2019	119,926	363,321	483,247	119,926	363,321	483,247
Net book value						
At 31 March 2019	1,214,657	418,181	1,632,839	1,214,657	418,182	1,632,838
At 25 March 2018	1,225,315	292,705	1,518,020	1,225,315	292,705	1,518,020

Leasehold Property costs include fees to architects, quantity surveyors, structural engineers, construction managers etc. and the cost of initial construction work. Depreciation commenced from January 2009 when architects issued the completion certificate.

**Kingston Theatre Trust
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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15b Fixed asset investments

Investments	Shares in group undertakings £
Costs	
At 25 March 2018 and 31 March 2019	1
	=====
Net Book Value	
At 31 March 2019	1

At 25 March 2018	1
	=====

This investment comprises a 100% owned subsidiary undertaking, Rose Theatre Enterprise Ltd, which is registered in England. The company's registered number is 06529121. The turnover of Rose Theatre Enterprise for the period 26 March 2018 – 31 March 2019 was £1,305,189 (2018: £695,554). Profits of £184,560 (2018 - £56,385) were donated to the parent charity Kingston Theatre Trust.

The aggregate share capital and reserves at the year end amounted to £1 (2018: £1).

16 Debtors

	Group 2019 £	Group 2018 £	Trust 2019 £	Trust 2018 £
Trade debtors	120,642	146,206	103,672	119,524
Amount owed by group undertaking	-	-	207,397	-
Accrued income	56,186	126,992	56,186	126,992
Theatre Tax Credit and Gift Aid	158,595	90,076	10,098	5,640
Other debtors	1,280	1,243	1,280	1,243
Prepaid expenses	267,185	150,962	267,185	150,962
	-----	-----	-----	-----
	603,888	515,479	645,818	404,361
	=====	=====	=====	=====

17 Stocks

	Group 2019 £	Group 2018 £	Trust 2019 £	Trust 2018 £
Stocks for resale	5,360	4,662	5,360	4,662
	=====	=====	=====	=====

**Kingston Theatre Trust
and its subsidiary undertaking**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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18 Creditors: amounts falling due within one year

	Group 2019 £	Group 2018 £	Trust 2019 £	Trust 2018 £
Trade creditors	398,864	262,273	398,864	262,273
Box Office advance	320,476	380,397	320,476	380,397
Amount owed to group undertaking	-	-	-	20,293
Other tax and social security:				
VAT	70,401	19,075	66,342	15,778
PAYE	25,696	22,764	25,696	22,764
Accruals and deferred income:				
Accrued expenses	367,194	238,264	362,194	233,464
Deferred income	113,297	159,433	109,180	105,600
	<u>1,295,928</u>	<u>1,082,206</u>	<u>1,282,752</u>	<u>1,040,569</u>

The movement in deferred income is as follows:

	Group 2019 £	Group 2018 £	Trust 2019 £	Trust 2018 £
Balance at 25 March 2018	159,433	123,808	105,600	111,475
Amounts deferred in the period	113,297	159,433	109,180	105,600
Amount released to incoming resources	(159,433)	(123,808)	(105,600)	(111,475)
Balance at 31 March 2019	<u>113,297</u>	<u>159,433</u>	<u>109,180</u>	<u>105,600</u>

Deferred income comprises grants relating to future accounting periods and deposits for future events.

**Kingston Theatre Trust
and its subsidiary undertaking**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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19 Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Property 31 March 2019 £	25 March 2018 £	Equipment 31 March 2019 £	25 March 2018 £
Less than 1 year	35,000	35,000	47,400	500
Later than one and not later than five years		-	75,050	-
	=====	=====	=====	=====

A 125 year lease with Kingston Theatre LLP commencing 1 January 2008 was signed on 10 December 2015.

An independent rent review was carried out following which the annual rent was re-set at £35,000 effective 1 April 2015. Further periodic rent reviews will take place over the life of the lease. A break clause has been set within the agreement at 1 January 2017 at which point the charity could give 12 months' notice to terminate the lease agreement.

The charity installed new moving stage lights in August 2018 under a five year agreement with SLX. The annual charge is £47,700 and the minimum rental period is three years after which three months' notice of cancellation is required.

**Kingston Theatre Trust
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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20 Fund reconciliation

GROUP	Balance B/F 25 March 2018 £	Incoming Resources £	Outgoing Resources £	Resources £	Closing Transfers £	31 March 2019 £
Capital Fund						
Boiler	73,517	-	-	(9,856)	-	63,661
Auditorium	55,000	192,250	-	(53,362)	(11,974)	181,914
Total Capital Fund	128,517	192,250	-	(63,218)	(11,974)	245,575
Restricted Revenue Fund						
Let Me In Festival	2,100	3,207	-	(2,229)	-	3,078
Intern Scheme	1,000	1,000	-	(250)	-	1,750
Bursary Scheme	2,068	2,675	-	(300)	-	4,443
Peter Hall Emerging Artist Fellowship	10,000	18,775	-	(3,138)	-	25,637
Youth Outreach	-	25,000	-	-	-	25,000
Rent	-	35,000	-	(35,000)	-	-
Total Restricted Revenue Fund	15,168	85,657	-	(40,917)	-	59,908
Unrestricted Designated Fund	109,536	-	-	(57,112)	-	52,424
General Fund	1,008,084	3,738,473	-	(3,857,355)	11,974	901,176
Total	1,261,305	4,016,380	-	(4,018,602)	-	1,259,083

The transfer of £11,974 from restricted to unrestricted relates to Auditorium costs incurred in the prior year.

GROUP	Balance B/F 2 April 2017 £	Incoming Resources £	Outgoing Resources £	Resources £	Closing Transfers £	25 March 2018 £
Capital Fund						
Boiler	83,373	-	-	(9,856)	-	73,517
Auditorium	-	88,600	-	(33,600)	-	55,000
Total Capital Fund	83,373	88,600	-	(43,456)	-	128,517
Restricted Revenue Fund						
Let Me In Festival	-	2,100	-	-	-	2,100
Intern Scheme	-	1,000	-	-	-	1,000
Bursary Scheme	-	2,068	-	-	-	2,068
Peter Hall Emerging Artist Fellowship	10,000	-	-	-	-	10,000
R&D ACE grant	-	1,000	-	(1,000)	-	-
Marketing assistance grant	-	7,200	-	(7,200)	-	-
Rent	-	35,000	-	(35,000)	-	-
Total Restricted Revenue Fund	10,000	48,368	-	(43,200)	-	15,168
Unrestricted Designated Fund	169,775	-	-	(60,239)	-	109,536
General Fund	1,087,628	3,243,824	-	(3,323,368)	-	1,008,084
Total	1,350,776	3,380,792	-	(3,470,263)	-	1,261,305

**Kingston Theatre Trust
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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20 Fund reconciliation (cont.)

- Boiler - The fund was set up from a grant to cover the cost of refurbishment works on the boiler and is to be used to cover annual depreciation charges.
- Auditorium - The fund is for refurbishment costs of the auditorium to provide a more intimate experience for the audience and to improve sightlines and acoustics. A second phase aims to transform the theatre's gallery space into a performance space.
- Let me in Festival - This is an inclusive drama festival featuring work by and for people with physical, learning and sensory needs.
- Intern Scheme - The fund was established to cover travel and subsistence expenses of young people who take up work placements at the Rose Theatre in conjunction with Achieving for Children.
- Bursary Scheme - The fund is to provide financial assistance towards course fees to members of the Rose Youth theatre.
- Peter Hall Emerging Artist Fellowship - Established to commemorate the legacy of our founding Artistic Director and as an expression of the Rose's commitment to being both a distinctive producing house and a developer of theatre talent. The fund is to provide a bursary for the chosen fellow in a residency at the Rose theatre where they will receive mentoring and professional support culminating in a production at the Rose Studio.
- Youth Outreach - The fund was established for future work with young disadvantaged people.
- Rent - The fund is to ensure that funds are set aside from stakeholder donations sufficient to cover the annual rental cost of the theatre.
- R&D ACE Grant - This fund was established to contribute towards the costs of workshops in the development of a production of Romeo and Juliet.
- Marketing Assistant Grant - This fund was established by a donor to allow the recruitment of a young person to be trained within the marketing department.
- Unrestricted designated fund - the designated fund was created in respect of assets transferred from RBK on 31 March 2015. Depreciation of £57,112 (2018-£60,239) has been matched against this fund.

**Kingston Theatre Trust
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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20 Fund reconciliation (cont.)

TRUST	Balance B/F 25 March 2018 £	Incoming Resources £	Outgoing Resources £	Transfers £	Closing 31 March 2019 £
Capital Fund					
Boiler	73,517	-	(9,856)	-	63,661
Auditorium	55,000	192,250	(53,362)	(11,974)	181,914
Total Capital Fund	128,517	192,250	(63,218)	(11,974)	245,575
Restricted Revenue Fund					
Let Me In Festival	2,100	3,207	(2,229)	-	3,078
Intern Scheme	1,000	1,000	(250)	-	1,750
Bursary Scheme	2,068	2,675	(300)	-	4,443
Peter Hall Emerging Artist Fellowship	10,000	18,775	(3,138)	-	25,637
Youth Outreach	-	25,000	-	-	25,000
Rent	-	35,000	(35,000)	-	-
Total Restricted Revenue Fund	15,168	85,657	(40,917)	-	59,908
Unrestricted Designated Fund	109,536	-	(57,112)	-	52,424
General Fund	926,014	4,951,243	(4,988,055)	11,974	901,176
Total	1,179,235	5,229,150	(5,149,302)	-	1,259,083

TRUST	Balance B/F 2 April 2017 (restated) £	Incoming Resources £	Outgoing Resources £	Transfers £	Closing 25 March 2018 £
Capital Fund					
Boiler	83,373	-	(9,856)	-	73,517
Auditorium	-	88,600	(33,600)	-	55,000
Total Capital Fund	83,373	88,600	(43,456)	-	128,517
Restricted Revenue Fund					
Let Me In Festival	-	2,100	-	-	2,100
Intern Scheme	-	1,000	-	-	1,000
Bursary Scheme	-	2,068	-	-	2,068
Sir Peter Hall Fellowship	10,000	-	-	-	10,000
R&D ACE grant	-	1,000	(1,000)	-	-
Marketing assistance grant	-	7,200	(7,200)	-	-
Rent	-	35,000	(35,000)	-	-
Total Restricted Revenue Fund	10,000	48,368	(43,200)	-	15,168
Unrestricted Designated Fund	169,775	-	(60,239)	-	109,536
General Fund	1,031,243	3,820,370	(3,925,599)	-	926,014
Total	1,294,391	3,957,338	(4,072,494)	-	1,179,235

**Kingston Theatre Trust
and its subsidiary undertaking**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period ended 31 March 2019**

21 Analysis of group net assets between funds

	General Fund £	Capital Fund £	Restricted Revenue Fund £	Designated Fund £	Total Fund £
Tangible fixed assets	1,334,838	245,575		52,424	1,632,838
Cash	253,017		59,908		312,925
Other assets	(686,680)				(686,680)
	=====	=====	=====	=====	=====
	901,176	245,575	59,908	52,424	1,259,083
	=====	=====	=====	=====	=====
 Prior period					
	General Fund £	Capital Fund £	Restricted Revenue Fund £	Designated Fund £	Total Fund £
Tangible fixed assets	1,279,967	128,517	-	109,536	1,518,020
Cash	290,182	-	15,168	-	305,350
Other assets	(562,065)	-	-	-	(562,065)
	=====	=====	=====	=====	=====
	1,008,084	128,517	15,168	109,536	1,261,305
	=====	=====	=====	=====	=====

22 Pension and other post-retirement benefit commitment

Defined Contribution

	2019 £	2018 £
Contributions payable by the charity in the period	21,952	10,004
	=====	=====

Contributions of £5,739 (2018: £1,134) were payable to the scheme at the balance sheet date.

23 Control

There are no controlling parties.

**Kingston Theatre Trust
and its subsidiary undertaking**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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24 Related party transactions

During the year RBK provided funding of £280,000 (2018 - £300,000) and purchased £100 (2018 - £1,327) of other services from Kingston Theatre Trust and £5,716 (2018 - £1,324) from its subsidiary undertaking. At the year end £566 (2018 - £Nil) was included within trade debtors of the subsidiary undertaking.

Kingston Theatre Trust also purchased services from RBK for £21,526 (2018 - £29,051) and at the year end £2,107 (2018 - £2,325) was included within trade creditors. There are no other balances with RBK at the year end (2018 - £Nil).

RBK has the power to nominate up to two candidates for appointment to the Board of trustees this is currently Cllr Simon Edwards (appointed 1 July 2019) and Kevin Davis. Following the Local Council Elections in May 2018 the incumbent RBK nominees Councillors Julie Pickering and John Ayles resigned as trustees. Two new nominees Cllr Kevin Davis and Councillor Malcom Self were appointed in September 2018. Cllr Malcom Self resigned in January 2019.

During the year £35,000 (2018 - £35,000) was paid to Kingston Theatres LLP in respect of rent and at the year end £37,500 (2018 - £37,500) was included within accruals.

KU provided £380,000 (2018 - £380,000) of funding to Kingston Theatre Trust in the period. KU additionally purchased services from Kingston Theatre Trust of £Nil (2018 - £Nil) and £13,665 (2018 - £11,909) from its subsidiary undertaking. At the year end £Nil (2018 - £90,000) was included with trade debtors of Kingston Theatre Trust and £120 (2018 - £Nil) within the trade creditors of its subsidiary.

Kingston Theatre Trust purchased services from KU of £2,234 (2018 - £Nil) and at the year end an amount of £761 (2018 - £Nil) was included within trade creditors

Professor Martyn Jones and Jason Piper are both members of the University.

Gift in kind were received from 1 Trustee (2018 - 1) amounting to £16,000 (2018 - £36,800) for work done on pro bono basis.

**Kingston Theatre Trust
and its subsidiary undertaking**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period ended 31 March 2019**

25 Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

	Group 2019 £	Group 2018 £	Trust 2019 £	Trust 2018 £
<i>Financial assets</i>				
Debt instruments measured at amortised cost:				
- Trade debtors (note 16)	120,642	146,206	103,672	119,524
- Amounts owed by group undertakings (note 16)			207,397	-
- Other debtors (note 16)	1,280	1,243	1,280	1,243
- Accrued income (note 16)	56,186	126,992	56,186	126,992
- Cash in hand and at bank	312,925	305,350	257,817	292,760
	<u>491,033</u>	<u>579,791</u>	<u>626,352</u>	<u>540,519</u>

Financial liabilities

Measured at amortised cost:

- Bank loans and overdraft (note 19)				
- Trade creditors (note 18)	398,864	262,273	398,864	262,273
- Amounts owed to group undertakings (note 18)				20,293
- Accrued expenses (notes 18)	367,195	238,264	362,195	233,464
	<u>766,059</u>	<u>500,537</u>	<u>761,059</u>	<u>516,030</u>

26 Reconciliation of consolidated net income to net cash flow from operating activities

	Group 2019 £	Group 2018 £	Trust 2019 £	Trust 2018 £
Net income for the reporting period	(2,222)	(89,471)	(2,222)	(115,156)
Adjustments for:				
Depreciation charges	102,203	98,878	102,203	98,878
Disposal of fixed assets	-	1,180	-	1,180
Dividends and interest from investments and bank	(395)	(187)	(395)	(187)
Decrease in stock	(698)	(989)	(698)	(989)
(Increase) / decrease in debtors	(88,409)	52,278	(241,457)	95,241
Increase / (decrease) in creditors	213,722	(103,629)	242,183	(114,158)
Net cash provided by operating activities	224,201	(41,940)	99,614	(35,191)