

Company number SC502467
Charity number SC045793

KINGS THEATRE KIRKCALDY LIMITED

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2017**

THURSDAY



S6YCMPJ4

SCT

25/01/2018

#41

COMPANIES HOUSE

BROWN, SCOTT & MAIN

Chartered Accountants

KINGS THEATRE KIRKCALDY LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

CONTENTS

	Page
Trustees and officers	2
Report of the trustees	3 - 5
Independent Examiner's report	6
Statement of financial activities	7
Balance sheet	8
Accounting policies	9
Notes to the financial statements	10 - 12

KINGS THEATRE KIRKCALDY LIMITED

STATUS

Kings Theatre Kirkcaldy Limited is a company limited by guarantee, without a share capital and incorporated on 2 April 2015 otherwise than for profit. The company is governed by its memorandum and articles of association. The trustees act as directors of the company. It has exempt tax status and the liability of each member is restricted to one pound.

TRUSTEES AND OFFICERS

TRUSTEES

Steven Hay	appointed 28 April 2017
John Murray	appointed 28 April 2017
John Sim	appointed 27 April 2017
Heather Stuart	appointed 28 April 2017
Nicole Mackay	resigned 1 October 2017
Grant Foster	resigned 31 October 2017
Christopher Scott	resigned 31 October 2017

MANAGEMENT

Grant Foster Chief Executive Officer

COMPANY REGISTRATION NUMBER

SC502467

SCOTTISH CHARITY NUMBER

SC045793

REGISTERED OFFICE

Nairn Apartment 6a
Kirk Wynd
Kirkcaldy
Fife
KY1 1EH

ACCOUNTANTS

Brown, Scott & Main
31 Townsend Place
Kirkcaldy

INDEPENDENT EXAMINER

William Main MA CA
31 Townsend Place
Kirkcaldy

BANKERS

Santander
Kirkcaldy

SOLICITORS

Fords Daly Legal
Evans Business Centre
Kirkcaldy

KINGS THEATRE KIRKCALDY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2017

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 30 April 2017, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

OBJECTIVES

The company is set up as a registered charity with the purpose of the advancement of the arts, heritage, culture or science; the advancement of education; the advancement of citizenship or community development; and the provision of recreational facilities with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended.

The charitable objects are:

- to advance the arts and culture by producing high quality theatre, music and arts projects and events and to connect with communities by creating high quality music and arts experiences;
- to advance education by facilitating workshops in order to increase engagement of the arts by making work that is accessible for a broad range of communities;
- to provide recreational activities through the production of the theatre and arts projects and events, and creating opportunities for, and collaborating with, other artists, organisations and the wider community;
- to advance community and town centre development by increasing the access of the general public to theatre, music and the arts, developing strong relationships with audiences within the theatre space and community.
- to advance the town and region's music, theatre, cultural and arts industries by assisting the quality of events held.

PURPOSE

The purpose of the Kings Theatre Kirkcaldy Limited is to acquire and renovate the former MGM Cinema and shop on Kirkcaldy High Street and the former YWCA building on Kirkcaldy Promenade.

ACTIVITIES

PROPERTY – during the financial year the Kings Theatre Kirkcaldy Limited purchased the theatre building and former shop at 252-262 High Street, Kirkcaldy along with The YWCA building on Kirkcaldy Promenade. The purchase of the properties was made possible by a private secured loan and deferred payment.

CAPITAL WORKS - With emergency repair works on the roof now completed, the main theatre auditorium has been mostly cleared out to make it possible to showcase the project and allow the general public access through guided tours. At the time of writing, the full building survey is being conducted and a clear phasing strategy has been implemented, with the view to open part of the building up as a smaller venue in the first quarter of 2018.

FUNDING - With respect to funding, we have been successful in our application to awards for £9,170, which allows the completion of the survey and makes a start on the pop up venue. Unfortunately our bid towards the Scottish Government's Regeneration Capital Grant Fund (RCGF) was unsuccessful due to the project needing more development and framework for such an intense capital works window that RCGF demands. This can be used as evidence for other areas of funding though, so all is not lost.

ACHIEVEMENTS

Overall 2017 was a challenging but progressive year for the Kings Theatre Kirkcaldy Project. The first quarter of the year was dominated by the local council elections, resulting in slow progress establishing relationships with local stakeholders. The following months however, resulted in swift progression in this field, with strong partnerships forming. An agreement in principle has been established with Fife College to rent the proposed restaurant and Kitchen as a vendor, along with utilising the Theatre space for world-class backstage technical courses. Our board has grown also, with the inclusion of key partnerships that create a very dynamic team that will assist in driving the project forward.

KINGS THEATRE KIRKCALDY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2017 (Continued)

We look forward to 2018, where we will continue to develop the project, and as the viability study will be completed, this will open the door fully to a wide variety of funding options. We will also open our pop up venue, which will give a vital income stream and physical presence within Kirkcaldy.

FINANCIAL REVIEW

Results for the year

In the year to 30 April 2017 there was a net deficit of £12,434 (2016 surplus of £3,730) which comprised net expenditure on unrestricted funds.

Assessment of risks

The Trustees meet regularly to discuss the operational and financial aspects of the project. The principal risks and uncertainties are detailed below along with the controls implemented to mitigate these risks.

Principal risks	Mitigation
Strategic – risks relating to the ongoing attractiveness and sustainability of the project.	The Trustees consider periodically the strategy and planning to ensure the project progresses as planned.
Financial – risks relating to the availability of funding and the ability to obtain funding.	Funding applications are completed, reviewed and submitted. The CEO and Trustees monitor funding availability on an ad hoc basis.
Operational – risks relating to the day to day activities of the project.	The CEO reports to the Trustees at each meeting on the progress of the project and provides ad hoc updates.

Policy for reserves

As the purpose of the Kings Theatre Kirkcaldy Limited is the acquisition and renovation of the former cinema, shop and YWCA building, the overall project is expected to cost several million pounds and take several years to reach completion. In order to achieve its aims the charity is submitting applications for grant funding and similar support to a range of government and other funders and supporters of the arts. The work will proceed as funds become available. Although the company currently has net liabilities of £8,704, these financial statements have been prepared on the going concern basis.

Going concern

The Company has applied, and continues to apply, for funding and receives donations from various sources. The Trustees expect this to continue for the foreseeable future. As the project develops, funding will require to be increased substantially and we are in discussion with alternative funding providers with the view to ensuring future funding requirements are met. The Trustees consider there are sufficient sources of funding and that the Kings Theatre Kirkcaldy Limited is a going concern.

ORGANISATIONAL STRUCTURE

The structure of the Company consists of the Trustees who are also the Company's directors and members and comprise the Board. The Board has important powers under the constitution, takes decisions on changes to the constitution itself, holds regular meetings and generally controls the activities of the Company; for example without prejudice to the generality of the foregoing, the Board is responsible for monitoring and controlling the financial position of the Company.

POST BALANCE SHEET EVENTS

Since the balance sheet date the Company registered for VAT and, in October 2017, received a refund of £6,300, being VAT incurred on expenses for the period from 2 April 2015 to 31 August 2017.

TRUSTEES

The trustees holding office during the year are listed on page 2.

KINGS THEATRE KIRKCALDY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2017 (Continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 company and of the surplus or deficit of the company for that year. 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;
- 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 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 company and to enable us to ensure that the financial statements comply with the Companies Act 2006. We are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

COMPLIANCE & GOVERNANCE

The Trustees confirm to the best of our understanding that the accounts comply with the company's governing document and the Statement of Recommended Practice "Accounting and Reporting by Charities" published on 16 July 2014.

BASIS OF PREPARATION

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

STEVEN HAY
TRUSTEE

22 January 2018

KINGS THEATRE KIRKCALDY LIMITED

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF KINGS THEATRE KIRKCALDY LIMITED

I report on the financial statements of the company for the year ended 30 April 2017 which are set out on pages 7 to 12. The financial framework that has been applied in their preparation is applicable law, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that an audit is not required for this year under Regulation 10 (1)(a) to (c) of The Charities Accounts (Scotland) Regulations 2006 (as amended). It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S REPORT

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the financial statements.

INDEPENDENT EXAMINER'S STATEMENT

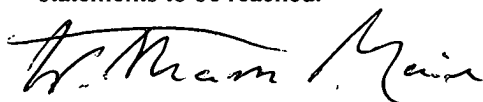
In the course of my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006, section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations;
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Companies Act 2006, section 44(1)(b) of the 2005 Act and Regulation 8 of the 2006 Accounts Regulations; and
- which are consistent with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



WILLIAM MAIN CA
Brown, Scott & Main
31 Townsend Place
Kirkcaldy.
Fife
KY1 1HB

24th January 2018

KINGS THEATRE KIRKCALDY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 30 APRIL 2017

	Note	2017 Unrestricted funds £	2017 Restricted funds £	2017 Total funds £	2016 Total funds £
INCOME					
Donations and legacies	1	3,925	-	3,925	5,500
Charitable activities	2	-	-	-	4,094
Investment income	3	<u>13</u>	<u>-</u>	<u>13</u>	<u>4</u>
Total income		<u>3,938</u>	<u>-</u>	<u>3,938</u>	<u>9,598</u>
EXPENDITURE					
Expenditure on charitable activities	4	16,372	-	16,372	5,868
Expenditure on other trading activities		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditure		<u>16,372</u>	<u>-</u>	<u>16,372</u>	<u>5,868</u>
Net (expenditure)/income before transfers		(12,434)	-	(12,434)	3,730
Gross transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net (expenditure)/income after transfers		(12,434)	-	(12,434)	3,730
Reconciliation of funds					
Total funds brought forward		<u>3,730</u>	<u>-</u>	<u>3,730</u>	<u>-</u>
Total funds carried forward	8	<u>£ (8,704)</u>	<u>£ -</u>	<u>£ (8,704)</u>	<u>£ 3,730</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is derived from continuing activities.

BALANCE SHEET AS AT 30 APRIL 2017

	Notes	2017 £	2016 £
FIXED ASSETS	6	<u>312,460</u>	<u>-</u>
CURRENT ASSETS			
Debtors		5,761	-
Bank and cash		<u>55</u>	<u>4,510</u>
		<u>5,816</u>	<u>4,510</u>
CREDITORS: Amounts falling due within one year			
Accruals		<u>1,980</u>	<u>780</u>
NET CURRENT ASSETS		<u>3,836</u>	<u>3,730</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		316,296	3,730
CREDITORS: Amounts falling due after more than one year			
Loans	7	<u>325,000</u>	<u>-</u>
TOTAL NET (LIABILITIES) / ASSETS		£ <u>(8,704)</u>	£ <u>3,730</u>
CAPITAL AND RESERVES			
Unrestricted funds:			
General fund	8	(8,704)	3,730
Restricted funds		<u>-</u>	<u>-</u>
	8	£ <u>(8,704)</u>	£ <u>3,730</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 April 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 April 2017 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies, with the provisions of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements on pages 7 to 12 were approved by the Board of Trustees on **22** January 2018 and were signed on its behalf by:

 **STEVEN HAY**

TRUSTEE

KINGS THEATRE KIRKCALDY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

LEGAL STATUS OF THE CHARITY

Kings Theatre Kirkcaldy Limited is a company limited by guarantee, without a share capital and formed in 2015 otherwise than for profit. It has tax exempt status and the liability of each member is restricted to one pound. Its company registration number, charity number and registered office address can be found on page 2 of these financial statements.

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared on the historical cost basis in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 and the Companies Act 2006.

INCOME

Income is accounted for on the accruals basis.

EXPENDITURE

All expenditure is included on an accruals basis as a liability is incurred and is stated net of VAT. Charitable expenditure comprises those costs incurred by the charity in the delivery of services and goods to its beneficiaries. It includes both costs that can be allocated directly to this activity and those costs of an indirect nature necessary to support them. Rentals payable under operating leases are charged to expenditure as incurred. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

FUND ACCOUNTING

Unrestricted funds represent donations and other incoming resources receivable to further the general objects of the charity without further restricted purpose or need for repayment, and are available as general funds. Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by the relevant supporter, or which have been raised by the charity for a specific purpose.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged so as to write off the cost less residual value of each asset over its estimated useful life. The rate of depreciation applied to equipment is 25% per annum on a straight line basis. No depreciation is charged on heritable property which is being renovated or under construction.

FINANCIAL INSTRUMENTS

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic Financial Assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market value rate of interest. Financial assets classified as receivable within one year are not amortised.

Cash at bank and in hand includes cash and short term highly liquid bank accounts with a short maturity of three months or less.

KINGS THEATRE KIRKCALDY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017 (continued)

FINANCIAL INSTRUMENTS (continued)

Basic Financial Liabilities

Basic financial liabilities, which include creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

GOING CONCERN

The financial statements are prepared on the going concern basis. The trustees consider this basis is appropriate as they expect it will receive sufficient income from donors and other funders to enable it to continue to renovate its property and provide services for the foreseeable future and to meet its day to day working capital and capital commitments as they fall due.

	Note	2017 Unrestricted funds £	2017 Restricted funds £	2017 Total funds £	2016 Total funds £
1 DONATIONS					
Donations		2,425	-	2,425	500
Grant from Kirkcaldy 4 All		<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>5,000</u>
		<u>3,925</u>	<u>-</u>	<u>3,925</u>	<u>5,500</u>
2 INCOME FROM CHARITABLE ACTIVITIES					
Crowdfunding		<u>-</u>	<u>-</u>	<u>-</u>	<u>4,094</u>
		<u>-</u>	<u>-</u>	<u>-</u>	<u>4,094</u>
3 INVESTMENT INCOME					
Bank interest		<u>13</u>	<u>-</u>	<u>13</u>	<u>4</u>
		<u>13</u>	<u>-</u>	<u>13</u>	<u>4</u>
4 EXPENDITURE ON CHARITABLE ACTIVITIES					
Employment costs	5	8,688	-	8,688	-
Building costs		-	-	-	2,872
Advertising & promotion		1,329	-	1,329	-
Storage		725	-	725	435
Motor expenses		527	-	527	958
Travel & accommodation		1,997	-	1,997	280
Stationery & postage		57	-	57	23
Telephone		165	-	165	-
Accountancy		400	-	400	480
Independent examiner's fee		800	-	800	300
Depreciation		111	-	111	-
Sundry expenses		<u>1,573</u>	<u>-</u>	<u>1,573</u>	<u>520</u>
		<u>16,372</u>	<u>-</u>	<u>16,372</u>	<u>5,868</u>

KINGS THEATRE KIRKCALDY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017 (Continued)

5 EMPLOYMENT COSTS

	2017	2016
	£	£
Salary	<u>8,688</u>	<u>400</u>

The management of the charity comprises Grant Foster, Chief Executive Officer, who was the charity's sole employee. No remuneration was paid to the trustees (2016 £400) and no expenditure was reimbursed to the trustees (2016 £nil).

6 TANGIBLE FIXED ASSETS

	Heritable property £	Equipment £	Total £
Cost			
At 1 May 2016	-	-	-
Additions	<u>311,938</u>	<u>633</u>	<u>312,571</u>
At 30 April 2017	<u>311,938</u>	<u>633</u>	<u>312,571</u>
Depreciation			
At 1 May 2016	-	-	-
Charge for the year	<u>-</u>	<u>111</u>	<u>111</u>
At 30 April 2017	<u>-</u>	<u>111</u>	<u>111</u>

NET BOOK VALUE

At 30 April 2017	£ <u>311,938</u>	£ <u>522</u>	£ <u>312,460</u>
At 30 April 2016	£ <u>-</u>	£ <u>-</u>	£ <u>-</u>

The Kings Theatre Kirkcaldy Limited purchased the theatre building and former shop at 252-262 High Street, Kirkcaldy along with the YWCA building on Kirkcaldy Promenade.

All fixed assets are being renovated to be used in the direct charitable activities of the company.

7 SECURED DEBTS

	£	£
Loans	<u>325,000</u>	<u>-</u>

The company borrowed £120,000 from Mr J Sim in July 2016 to enable the acquisition of the former MGM Cinema situated at 252-262 and 260A High Street, Kirkcaldy. The loan is secured by way of a standard security over the company's heritable property and is repayable by quarterly instalments, over a five year period, commencing on the earlier of 30 September 2020 or the date 12 months after the company begins trading. Interest on the loan will be charged at 2% above the Royal Bank of Scotland base rate, and will be applied from the date the repayments start. Mr Sim was subsequently appointed a trustee on 27 April 2017.

A further £205,000 is payable for the acquisition of the YWCA building on Kirkcaldy Promenade and the former shop at 262 High Street, Kirkcaldy, and is also secured by way of a standard security over these properties.

KINGS THEATRE KIRKCALDY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017 (Continued)

8 MOVEMENT OF FUNDS

	At 1.5.2016 £	Incoming Resources £	Outgoing Resources £	Net movement £	Transfer £	At 30.4.2017 £
Unrestricted Funds:						
General fund	<u>3,730</u>	<u>3,938</u>	<u>(16,372)</u>	<u>(12,434)</u>	<u>-</u>	<u>(8,704)</u>
Total unrestricted funds	<u>3,730</u>	<u>3,938</u>	<u>(16,372)</u>	<u>(12,434)</u>	<u>-</u>	<u>(8,704)</u>
TOTAL FUNDS	<u>£ 3,730</u>	<u>3,938</u>	<u>(16,372)</u>	<u>(12,434)</u>	<u>-</u>	<u>£ (8,704)</u>

All funds are held for charitable purposes.

9 POST BALANCE SHEET EVENTS

In September 2017 the company became VAT registered and in October 2017, received a refund of £6,300, being input VAT incurred on expenses for the period from 2 April 2015 to 31 August 2017.

10 TRANSITION TO FRS 102

These financial statements for the year ended 30 April 2017 are the first financial statements of Kings Theatre Kirkcaldy Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The transition to FRS 102 has not resulted in any material changes in the company's accounting policies compared to those applied previously and has not resulted in any material changes to the company's net movement in funds presented previously. It has not been necessary to restate comparative amounts to comply with the accounting policies selected in accordance with FRS 102.