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REGISTERED COMPANY NUMBER: SC163829 (Scotland)
REGISTERED CHARITY NUMBER: SC024713

**Report of the Trustees and
Financial Statements for the Year Ended 31 March 2017
for
Eastgate Theatre (Peebles) Limited
(A Company Limited by Guarantee)**

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Eastgate Theatre (Peebles) Limited

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for the Year Ended 31 March 2017**

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Eastgate Theatre (Peebles) Limited

Report of the Trustees for the Year Ended 31 March 2017

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2017. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC163829 (Scotland)

Registered Charity number

SC024713

Registered office

Eastgate Theatre & Arts Centre
Eastgate
Peebles
Borders
EH45 8AD

Trustees

A I Jenkins

Vice Chairman

Mrs K A M Innes

S Bell

- resigned 10/5/2017

Mrs C Maxwell Stuart

W K Archibald

- resigned 10/5/2017

Sir David Younger

Chairman

W A Staempfli

- resigned 25/5/2017

K A Brunton

P W Fagan

- appointed 2/9/2016

E S Gowrie

Independent examiner

Karen Graham

Chartered Accountant

Braidwood Graham

One Cherry Court

Cavalry Park

Peebles

Borders

EH45 9BU

Solicitors

DWF Biggart Baillie

Fountainbridge

Edinburgh

Bankers

The Royal Bank of Scotland

4 Eastgate

Peebles

EH45 8SL

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Eastgate Theatre (Peebles) Limited is a private company limited by guarantee and a registered charity governed by its memorandum and articles of association.

Eastgate Theatre (Peebles) Limited

Report of the Trustees for the Year Ended 31 March 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Trustees, or directors, are appointed by the existing Board of Directors and recruited within the local community. Directors are all volunteers and are drawn from different backgrounds to ensure the charity has the best mix of business, financial, marketing technical and arts advice.

Induction and training of new trustees

All directors have been made aware of their duties and responsibilities.

Organisational structure

The directors act in accordance with OSCR guidelines and take advice on relevant issues from representatives of Scottish Borders Council and LIVE Borders. Other delegated decisions rest with the theatre manager Ms Caroline Adam and other staff where appropriate.

Related parties

Scottish Borders Council is entitled to appoint up to two directors of the company who can serve as trustees on the Board.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objectives can be summarised as the promotion and advancement of public education by encouragement of the arts, and the provision of facilities to meet the needs of special groups and the public at large. The board's strategy to achieve these objectives is to arrange a diverse programme of activities including community events, cinema and live shows on a variety of subject matters.

Volunteers

The use of volunteers in the day to day running of the Eastgate - including administrative tasks, assistance in the cafe, front of house and event support - has been invaluable and the board recognises the hard work put in by the volunteers and is most grateful for the dedication of all those involved.

During the year to 31 March 2017, the number of hours of voluntary work was estimated at 5,000 hrs (2016: 5,000 hours), which equates to approximately £40,000 (2016: £40,000) worth of donated services..

ACHIEVEMENT AND PERFORMANCE

The year to 31 March 2017 marked the nineteenth anniversary of the company and the thirteenth year in which it has been fully operational as a theatre and arts centre.

The main activities are the provision of live events and film screenings; provision of many arts centre activities such as exhibitions, classes and workshops and outreach projects; as well as facilities and support for community activities. There is also a café for all the Eastgate patrons, as well as the general public.

During the year, as can be seen from the financial statements, the general fund shows a deficit of £10,864 which is mainly due to the depreciation charges of £15,505 on the Theatre's assets. There is therefore a pre-depreciation profit of £4,641.

FINANCIAL REVIEW

Reserves policy

The charity would like to be in a position of having three months sufficient free reserves (i.e. funds not tied up in fixed assets) to meet expenses, however in these difficult financial times, this ideal has not currently been achieved.

Eastgate Theatre (Peebles) Limited

Report of the Trustees for the Year Ended 31 March 2017

FINANCIAL REVIEW

Principal funding sources

Principal funding sources come from fundraising activities of admission income, cafe trading, core grant funding by LIVE Borders and grants from Creative Scotland and other public and other charitable organisations. In the current climate, and in common with other charities, a guarantee of future core funding for more than a year in advance cannot be obtained in writing. Indeed LIVE Borders have indicated an ongoing reduction in funding over future years. The charity's survival is very much dependent on this funding.

Investment powers

The company has the power to raise and receive monies in the furtherance of the objects; to invest monies in the furtherance of the objects and to invest monies not immediately required in such investments, securities or property as may be thought fit.

FUTURE ACTIVITIES

The company, in common with many charities, faces challenges going forward and for the foreseeable future it will depend both on volunteers to fulfil many functions, coupled with fundraising and grants to bridge the gap between revenue and expenditure. Meanwhile, the board and employees are working very hard indeed to increase the attendances whilst containing expenditure at a viable level. Planning ahead is challenging in the current financial climate where the charity is dependent on core funding from LIVE Borders. Note 18 to the accounts draws attention to the future commitment difficulty. The trustees are embarking on an ambitious capital project which will extend the capacity of the Theatre by developing an expanded suite of facilities via extension and refurbishment of the building. The project will also broaden the contact with wider audiences by extending the scope of the Theatre's community activity. This work will have to be funded from external sources, principally the Big Lottery Fund's Community Assets programme, and preparatory work will be undertaken during 2017/18. The trustees acknowledge the risks associated with a major capital project and steps will be taken to ensure that these risks are managed as the project develops.

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

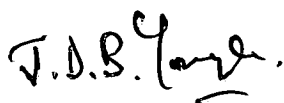
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that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

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

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

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

Approved by order of the board of trustees on 21 September 2017 and signed on its behalf by:



Sir David Younger - Trustee

**Independent Examiner's Report to the Trustees of
Eastgate Theatre (Peebles) Limited**

I report on the accounts for the year ended 31 March 2017 set out on pages five to twelve.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of the 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 accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as 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 accounts.

Independent examiner's statement

In connection with 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 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

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



Karen Graham
Chartered Accountant
Braidwood Graham
One Cherry Court
Cavalry Park
Peebles
Borders
EH45 9BU

Date: 15/4/17

Eastgate Theatre (Peebles) Limited

**Statement of Financial Activities
for the Year Ended 31 March 2017**

		Unrestricted fund	Restricted fund	2017 Total funds	2016 Total funds
	Notes	£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income		21,080	-	21,080	23,189
Activities for generating funds	2	359,242	-	359,242	348,153
Investment income	3	-	-	-	9
Incoming resources from charitable activities					
Grants		<u>116,587</u>	<u>-</u>	<u>116,587</u>	<u>119,506</u>
Total incoming resources		496,909	-	496,909	490,857
RESOURCES EXPENDED					
Charitable activities					
Management and administration	4	48,163	-	48,163	65,189
Cost of operation theatre & arts centre		426,492	15,505	441,997	415,370
Governance costs	7	<u>17,613</u>	<u>-</u>	<u>17,613</u>	<u>17,500</u>
Total resources expended		492,268	15,505	507,773	498,059
NET INCOMING/(OUTGOING) RESOURCES					
		4,641	(15,505)	(10,864)	(7,202)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>(4,911)</u>	<u>363,075</u>	<u>358,164</u>	<u>365,366</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>(270)</u></u>	<u><u>347,570</u></u>	<u><u>347,300</u></u>	<u><u>358,164</u></u>

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

Eastgate Theatre (Peebles) Limited

**Balance Sheet
At 31 March 2017**

		Unrestricted fund	Restricted fund	2017 Total funds	2016 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	11	63,949	347,570	411,519	422,955
CURRENT ASSETS					
Stocks	12	2,876	-	2,876	2,235
Debtors	13	10,471	-	10,471	15,730
Cash at bank and in hand		<u>25,270</u>	<u>-</u>	<u>25,270</u>	<u>7,247</u>
		38,617	-	38,617	25,212
CREDITORS					
Amounts falling due within one year	14	<u>(102,836)</u>	<u>-</u>	<u>(102,836)</u>	<u>(90,003)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(64,219)</u>	<u>-</u>	<u>(64,219)</u>	<u>(64,791)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(270)</u>	<u>347,570</u>	<u>347,300</u>	<u>358,164</u>
NET ASSETS/(LIABILITIES)		<u><u>(270)</u></u>	<u><u>347,570</u></u>	<u><u>347,300</u></u>	<u><u>358,164</u></u>
FUNDS	17				
Unrestricted funds				(270)	(4,911)
Restricted funds				<u>347,570</u>	<u>363,075</u>
TOTAL FUNDS				<u><u>347,300</u></u>	<u><u>358,164</u></u>

The notes form part of these financial statements

Eastgate Theatre (Peebles) Limited

**Balance Sheet - continued
At 31 March 2017**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2017.

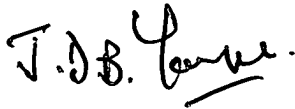
The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2017 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

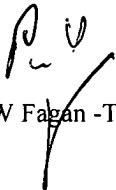
- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its 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 charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 21 September 2017 and were signed on its behalf by:



Sir David Younger -Trustee



P W Fagan -Trustee

The notes form part of these financial statements

Eastgate Theatre (Peebles) Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Financial reporting standard number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the charitable company qualifies as a small charitable company.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 25% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The company is a charity recognised in Scotland by H.M Revenue & Customs and therefore is not liable to corporation tax on its charitable activities.

Fund accounting

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

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

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

2. ACTIVITIES FOR GENERATING FUNDS

	2017	2016
	£	£
Admission Fees and Hires	232,179	220,087
Bar & Cafe Sales	126,394	125,501
Other Sales & Commission	669	1,565
Creative Place	-	1,000
	<u>359,242</u>	<u>348,153</u>

Eastgate Theatre (Peebles) Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**

3. INVESTMENT INCOME

	2017	2016
	£	£
Deposit account interest	<u>-</u>	<u>9</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 5)	Support costs (See note 6)	Totals
	£	£	£
Management and administration	26,032	22,131	48,163
Cost of operation theatre & arts centre	<u>218,047</u>	<u>223,950</u>	<u>441,997</u>
	<u>244,079</u>	<u>246,081</u>	<u>490,160</u>

5. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2017	2016
	£	£
Programme	167,544	158,929
Bar & Cafe Purchases	50,503	54,277
Publicity and Marketing	<u>26,032</u>	<u>21,792</u>
	<u>244,079</u>	<u>234,998</u>

6. SUPPORT COSTS

Total support costs of £246,081 (2016: £245,561) were allocated to the appropriate category above. Wages costs were separately identified and appropriately allocated. Indeterminate overheads were allocated based on office space and theatre operation at 5% and 95% respectively.

The average number of staff in the year to 31 March 2017 was 7 (2016: 8) There were no staff members with emoluments of more than £60,000.

7. GOVERNANCE COSTS

	2017	2016
	£	£
Book-keeping	15,000	15,000
Accounting	<u>2,613</u>	<u>2,500</u>
	<u>17,613</u>	<u>17,500</u>

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2017	2016
	£	£
Accounting	2,613	2,500
Depreciation - owned assets	<u>15,504</u>	<u>15,036</u>

Eastgate Theatre (Peebles) Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2017 nor for the year ended 31 March 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2017 nor for the year ended 31 March 2016.

10. STAFF COSTS

	2017 £	2016 £
Wages and salaries	156,871	153,273
Social security costs	<u>5,895</u>	<u>7,034</u>
	<u>162,766</u>	<u>160,307</u>

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

2017	2016
<u>7</u>	<u>8</u>

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

11. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2016	543,718	241,143	60,793	845,654
Additions	<u>-</u>	<u>4,068</u>	<u>-</u>	<u>4,068</u>
At 31 March 2017	<u>543,718</u>	<u>245,211</u>	<u>60,793</u>	<u>849,722</u>
DEPRECIATION				
At 1 April 2016	130,678	232,253	59,768	422,699
Charge for year	<u>10,869</u>	<u>3,870</u>	<u>765</u>	<u>15,504</u>
At 31 March 2017	<u>141,547</u>	<u>236,123</u>	<u>60,533</u>	<u>438,203</u>
NET BOOK VALUE				
At 31 March 2017	<u>402,171</u>	<u>9,088</u>	<u>260</u>	<u>411,519</u>
At 31 March 2016	<u>413,040</u>	<u>8,890</u>	<u>1,025</u>	<u>422,955</u>

12. STOCKS

	2017 £	2016 £
Stocks	<u>2,876</u>	<u>2,235</u>

Eastgate Theatre (Peebles) Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade debtors	7,869	7,871
Other debtors	<u>2,602</u>	<u>7,859</u>
	<u>10,471</u>	<u>15,730</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts (including unrepresented cheques) (see note 15)	27,657	16,901
Trade creditors	12,792	6,364
Taxation and social security	4,679	4,500
Other creditors	<u>57,708</u>	<u>62,238</u>
	<u>102,836</u>	<u>90,003</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due within one year on demand:		
Bank overdraft (including unrepresented cheques)	<u>27,657</u>	<u>16,901</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	2017	2016
	£	£
Bank overdraft (including unrepresented cheques)	<u>27,657</u>	<u>16,901</u>

17. MOVEMENT IN FUNDS

	At 1/4/16	Net movement in funds	At 31/3/17
	£	£	£
Unrestricted funds			
General fund	(4,911)	4,641	(270)
Restricted funds			
Restricted fund	363,075	(15,505)	347,570
TOTAL FUNDS	<u>358,164</u>	<u>(10,864)</u>	<u>347,300</u>

Eastgate Theatre (Peebles) Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**

17. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	496,909	(492,268)	4,641
Restricted funds			
Restricted fund	-	(15,505)	(15,505)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>496,909</u>	<u>(507,773)</u>	<u>(10,864)</u>

18. CONTINGENT LIABILITIES

A lien on the property and the assets purchased was taken by the former Scottish Arts Council, now Creative Scotland, for the capital grant of £1.6m provided through the National Lottery as part of the original funding to convert the Theatre and Arts Centre. This standard security ends in March 2029. If the original grant conditions are breached, the grant is technically repayable. The building cannot be sold, transferred or mortgaged without the consent of the former SAC, now part of Creative Scotland.

19. ULTIMATE CONTROLLING PARTY

The Board of Trustees listed in the trustees report on page 1 control the company.

20. GOING CONCERN

In common with charitable organisations, the company relies on core funding from the local authority, routed through LIVE Borders (Sport and Leisure Trust). These uncertain financial times means it is difficult to obtain a written commitment of funding beyond one year of the balance sheet signing date. At this specific time, the directors assume it will continue and therefore the accounts are prepared on this basis.