

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

**Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 March 2016
for
Eastgate Theatre (Peebles) Limited**

Eastgate Theatre (Peebles) Limited

**Contents of the Financial Statements
for the Year Ended 31 March 2016**

	Page
Report of the Trustees	1 to 3
Independent Examiner's Report	4
Statement of Financial Activities	5
Balance Sheet	6 to 7
Notes to the Financial Statements	8 to 12
Detailed Statement of Financial Activities	13 to 14

Eastgate Theatre (Peebles) Limited

Report of the Trustees for the Year Ended 31 March 2016

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 2016. 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

H L Seymour		- resigned 11/11/2015
Lord Purvis of Tweed		- resigned 30/7/2015
A I Jenkins	Vice Chairman	
Mrs K A M Innes		
S Bell		
Mrs C Maxwell Stuart		
D H Barr		- resigned 11/11/2015
W K Archibald		
Sir David Younger	Chairman	
W A Staempfli	Director	- appointed 30/11/2015
K A Brunton		- appointed 18/12/2015
P W Fagan		- appointed 2/9/2016
E S Gowrie		- appointed 14/3/2016

Company Secretary

F W Drummond

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

Eastgate Theatre (Peebles) Limited

Report of the Trustees for the Year Ended 31 March 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

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 Scottish Borders Council's nominated officer, Susan Taylor. Other delegated decisions rest with the theatre manager Ms Caroline Adam and other staff where appropriate.

Related parties

Scottish Borders Council are eligible to appoint one nominated officer as an observer, and two nominated members 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 café, 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 2016, the number of hours of voluntary work was estimated at 5,000 hrs (2015: 5,000 hours), which equates to approximately £40,000 (2015: £35,000) worth of donated services.

ACHIEVEMENT AND PERFORMANCE

The year to 31 March 2016 marked the eighteenth anniversary of the company and the eleventh 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 surplus for the year of £7,834 whilst the deficit on the restricted fund of £15,036 in the year is mainly due to the depreciation charge on the assets in the fund.

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 2016

FINANCIAL REVIEW

Principal funding sources

Principal funding sources come from fundraising activities of admission income, café trading, core grant funding by Scottish Borders Council 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 a further year in advance cannot be obtained in writing. 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 local government. Note 18 to the accounts draws attention to the future commitment difficulty.

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 3 November 2016 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 2016 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

3 November 2016

Eastgate Theatre (Peebles) Limited

**Statement of Financial Activities
for the Year Ended 31 March 2016**

	Notes	Unrestricted fund £	Restricted fund £	2016 Total funds £	2015 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income		23,189	-	23,189	17,504
Activities for generating funds	2	348,153	-	348,153	353,840
Investment income	3	9	-	9	10
Incoming resources from charitable activities					
Grants		119,506	-	119,506	106,991
Total incoming resources		<u>490,857</u>	<u>-</u>	<u>490,857</u>	<u>478,345</u>
 RESOURCES EXPENDED					
Charitable activities					
Management and administration	4	65,189	-	65,189	63,018
Cost of operation theatre & arts centre		400,334	15,036	415,370	407,329
Governance costs	7	17,500	-	17,500	17,500
Total resources expended		<u>483,023</u>	<u>15,036</u>	<u>498,059</u>	<u>487,847</u>
 NET INCOMING/(OUTGOING) RESOURCES					
		7,834	(15,036)	(7,202)	(9,502)
 RECONCILIATION OF FUNDS					
Total funds brought forward		(12,745)	378,111	365,366	374,868
TOTAL FUNDS CARRIED FORWARD		<u>(4,911)</u>	<u>363,075</u>	<u>358,164</u>	<u>365,366</u>

The notes form part of these financial statements

Eastgate Theatre (Peebles) Limited

**Balance Sheet
At 31 March 2016**

		Unrestricted fund	Restricted fund	2016 Total funds	2015 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	11	59,880	363,075	422,955	431,106
CURRENT ASSETS					
Stocks		2,235	-	2,235	2,709
Debtors	12	15,730	-	15,730	8,633
Cash at bank and in hand		7,247	-	7,247	2,398
		<u>25,212</u>	<u>-</u>	<u>25,212</u>	<u>13,740</u>
CREDITORS					
Amounts falling due within one year	13	(90,003)	-	(90,003)	(79,480)
NET CURRENT ASSETS/(LIABILITIES)		<u>(64,791)</u>	<u>-</u>	<u>(64,791)</u>	<u>(65,740)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>(4,911)</u>	363,075	358,164	365,366
NET ASSETS/(LIABILITIES)		<u><u>(4,911)</u></u>	<u><u>363,075</u></u>	<u><u>358,164</u></u>	<u><u>365,366</u></u>
FUNDS					
Unrestricted funds	15			(4,911)	(12,745)
Restricted funds				363,075	378,111
TOTAL FUNDS				<u><u>358,164</u></u>	<u><u>365,366</u></u>

The notes form part of these financial statements

Eastgate Theatre (Peebles) Limited

Balance Sheet - continued
At 31 March 2016

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2016.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2016 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 and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on 3 November 2016 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 2016

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

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

	2016	2015
	£	£
Admission Fees and Hires	220,087	189,756
Bar, Cafe and Ice Cream Sales	125,501	119,833
Other Sales & Commission	1,565	3,625
Creative Place	1,000	40,626
	<u>348,153</u>	<u>353,840</u>

3. INVESTMENT INCOME

	2016	2015
	£	£
Deposit account interest	<u>9</u>	<u>10</u>

Eastgate Theatre (Peebles) Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2016**

4. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 5)	Support costs (See note 6)	Totals
	£	£	£
Management and administration	22,207	42,982	65,189
Cost of operation theatre & arts centre	212,791	202,579	415,370
	<u>234,998</u>	<u>245,561</u>	<u>480,559</u>

5. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2016 £	2015 £
Programme	158,929	135,013
Bar, Cafe and Ice Cream Purchases	54,277	51,199
Publicity and Marketing	21,792	14,279
Creative Place	-	28,412
	<u>234,998</u>	<u>228,903</u>

6. SUPPORT COSTS

Total support costs of £245,561 (2015: £241,444) 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 2016 was 8 (2015: 8) There were no staff members with emoluments of more than £60,000.

7. GOVERNANCE COSTS

	2016 £	2015 £
Book-keeping	15,000	15,000
Accounting	2,500	2,500
	<u>17,500</u>	<u>17,500</u>

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2016 £	2015 £
Accounting	2,500	2,500
Depreciation - owned assets	15,036	13,644
	<u>17,536</u>	<u>16,144</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2016 nor for the year ended 31 March 2015 .

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2016 nor for the year ended 31 March 2015 .

Eastgate Theatre (Peebles) Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2016**

10. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	153,273	154,209
Social security costs	7,034	8,135
	<u>160,307</u>	<u>162,344</u>

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

	2016	2015
	8	8
	<u>8</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 2015	543,718	234,577	60,474	838,769
Additions	-	6,566	319	6,885
	<u>543,718</u>	<u>241,143</u>	<u>60,793</u>	<u>845,654</u>
At 31 March 2016	543,718	241,143	60,793	845,654
	<u>543,718</u>	<u>241,143</u>	<u>60,793</u>	<u>845,654</u>
DEPRECIATION				
At 1 April 2015	119,808	229,197	58,658	407,663
Charge for year	10,870	3,056	1,110	15,036
	<u>130,678</u>	<u>232,253</u>	<u>59,768</u>	<u>422,699</u>
At 31 March 2016	130,678	232,253	59,768	422,699
	<u>130,678</u>	<u>232,253</u>	<u>59,768</u>	<u>422,699</u>
NET BOOK VALUE				
At 31 March 2016	413,040	8,890	1,025	422,955
	<u>413,040</u>	<u>8,890</u>	<u>1,025</u>	<u>422,955</u>
At 31 March 2015	423,910	5,380	1,816	431,106
	<u>423,910</u>	<u>5,380</u>	<u>1,816</u>	<u>431,106</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors	7,871	3,587
Other debtors	7,859	5,046
	<u>15,730</u>	<u>8,633</u>

Eastgate Theatre (Peebles) Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2016**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts	16,901	25,000
Trade creditors	6,364	8,919
Taxation and social security	4,500	6,388
Other creditors	62,238	39,173
	<u>90,003</u>	<u>79,480</u>

14. SECURED DEBTS

The following secured debts are included within creditors:

	2016	2015
	£	£
Bank overdraft	<u>16,901</u>	<u>25,000</u>

15. MOVEMENT IN FUNDS

	At 1/4/15	Net movement in funds	At 31/3/16
	£	£	£
Unrestricted funds			
General fund	(12,745)	7,834	(4,911)
Restricted funds			
Restricted fund	378,111	(15,036)	363,075
	<u>365,366</u>	<u>(7,202)</u>	<u>358,164</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	490,857	(483,023)	7,834
Restricted funds			
Restricted fund	-	(15,036)	(15,036)
	<u>490,857</u>	<u>(498,059)</u>	<u>(7,202)</u>

16. 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.

Eastgate Theatre (Peebles) Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2016**

17. ULTIMATE CONTROLLING PARTY

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

18. GOING CONCERN

In common with charitable organisations, the company relies on core funding from government. 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.

Eastgate Theatre (Peebles) Limited

**Detailed Statement of Financial Activities
for the Year Ended 31 March 2016**

	2016 £	2015 £
INCOMING RESOURCES		
Voluntary income		
Donations and Subscriptions	11,798	5,552
Friends of the Eastgate	10,207	10,702
Gift aid	1,184	1,250
	23,189	17,504
Activities for generating funds		
Admission Fees and Hires	220,087	189,756
Bar, Cafe and Ice Cream Sales	125,501	119,833
Other Sales & Commission	1,565	3,625
Creative Place	1,000	40,626
	348,153	353,840
Investment income		
Deposit account interest	9	10
Incoming resources from charitable activities		
Restricted Grants	3,743	3,850
Creative Scotland	28,763	13,141
S B C Core Funding Grant	85,000	90,000
Other Grants	2,000	-
	119,506	106,991
Total incoming resources	490,857	478,345
RESOURCES EXPENDED		
Charitable activities		
Programme	158,929	135,013
Bar, Cafe and Ice Cream Purchases	54,277	51,199
Publicity and Marketing	21,792	14,279
Creative Place	-	28,412
	234,998	228,903
Governance costs		
Book-keeping	15,000	15,000
Accounting	2,500	2,500
	17,500	17,500
Support costs		
Management		
Wages and Salaries	153,273	154,209
Social security	7,034	8,135
Carried forward	160,307	162,344

This page does not form part of the statutory financial statements

Eastgate Theatre (Peebles) Limited

**Detailed Statement of Financial Activities
for the Year Ended 31 March 2016**

	2016	2015
	£	£
Management		
Brought forward	160,307	162,344
Rates and water	2,302	2,552
Insurance	8,639	7,922
Heat, Light and Cleaning	21,308	19,604
Telephone	3,118	3,061
Postage and stationery	2,732	2,566
Property Costs	9,201	8,271
Professional Fees	2,651	6,610
IT	6,102	5,220
Licenses and Subscriptions	7,767	1,015
Training	-	2,277
Other Administration Expenses	-	108
	224,127	221,550
Finance		
Bank charges	6,359	6,147
Bank Interest	39	103
	6,398	6,250
Depreciation		
Freehold property	10,870	10,870
Fixtures and fittings	3,056	1,743
Computer equipment	1,110	1,031
	15,036	13,644
Total resources expended	498,059	487,847
Net expenditure	(7,202)	(9,502)

This page does not form part of the statutory financial statements