

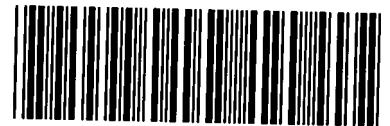
REGISTERED COMPANY NUMBER: SC138628 (Scotland)
REGISTERED CHARITY NUMBER: 020060

COMPANIES HOUSE

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2019
FOR
PACE THEATRE COMPANY LIMITED**

**Milne Craig
Chartered accountants
Statutory auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA**

WEDNESDAY



S8KJZQ5N

SCT

18/12/2019

#278

COMPANIES HOUSE

PACE THEATRE COMPANY LIMITED
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

	Page
Chairman's Statement	1
Report of the Trustees	2 to 6
Report of the Independent Auditors	7 to 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 23

PACE THEATRE COMPANY LIMITED

**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019**

I am pleased to report that this past year has been one where our financial position continues to improve, whilst artistic output thrives.

During this year we have settled all but one of our debtors outstanding monies due, whilst at the same time seeing the business staying in, albeit small, profit. The nature of our business however means that the Board will continue to keep a close eye on our finances particularly cash flow.

Whilst there is rightly a focus by the Board on our finances, we do not forget that our primary objective is to support the Chief executive and his team in delivering high quality services to our young people. I would like to highlight just some of their successes.

During this year our Artistic Director and her team refreshed our summer programme creating an exciting variety of creative programmes for young people to take part in offering young people (aged 3-21) the chance to take part in 40 exciting performances or creative workshops.

In partnership with professional writers as part of 'Year of Young People' and funded by Events Scotland, we delivered an exciting new programme called 'Write Here Write Now' aimed at offering opportunities for aspiring writers to work with professional writers creating new work for theatre as well as Masterclasses. Their work culminated in a performance in Paisley Town Hall.

We launched an exciting programme of industry Masterclasses where young people had the chance to work with professional actors in specialist masterclasses. Throughout 2018/2019 we offered workshops with actors James McArdle, Brian Ferguson, Kevin Guthrie, Scott Reid, Leigh Quinn, Jo Freer and Daniel Cameron to name a few. We are grateful to them for supporting us.

In March 2019 we launched our first Always Festival. Over 250 young people took part from nine Pace groups producing nine fully supported performances over two weeks. Young people had the chance to explore classic texts such as works of Shakespeare or the Greeks and to create exciting and memorable performances.

In February we launched the PACE Rep Company. This was an opportunity for emerging artists (aged 18-25) to work with PACE and create original devised performances that would subsequently preview at Paisley Arts Centre and go onto to perform at the Edinburgh Fringe.

All of this activity was in addition to our work with over 1000 young people every week together with the major production of our annual Pantomime which achieved great artistic reviews and remains fundamental to our financial position.

None of this could be achieved without the vision and hard work of the whole team and in particular the outstanding support we receive from Renfrewshire Council. The Board are eternally grateful to them.



Donald Urquhart

6 December 2019

PACE THEATRE COMPANY LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2019

The trustees present their annual trustees' report together with the financial statements of the charity and for the year ending 31 March 2019 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

Our Mission

PACE aims to be a world-class youth arts organisation; developing and nurturing young creative talent and allowing as many young people as possible to benefit - educationally, socially and culturally - from a varied programme of high-quality performing arts experiences and performances.

Our Objective

The stated objective of the company is to promote, improve and advance education in the arts particularly among children, young people and families. Its activities to promote this objective can currently be divided into four main areas:

- Creative Learning - Youth theatre workshops for ages 3-21 and performance experiences.
- Professional Theatre Productions - Including Paisley's annual professional pantomime and in-house and touring productions for children, young people and families.
- Engagement & Outreach - Workshops and performance projects in school and communities.
- Artist Development & Training - Voluntary and paid work placements and training opportunities for 18-25.

In addition PACE also provide casting services to the tv & film industry and venue management services.

Strategic Objectives

- Promote and develop engagement in theatre experiences for children and young people.
- Diversify funding streams and sustainable income sources.
- To extend the reach, influence and impact of the company and produce more high quality professional productions to promote the company's reputation in the arts sector.
- Address cultural inequalities by expanding the diversity of audiences and young people we work with
- Build local, national and international partnerships.
- Deliver our 2017 Business Development Plan and 2018 Artistic Development Plan.
- Secure funds to build new performance and rehearsals spaces to meet the company's future needs and improve the experience we offer our audiences and participants.
- Support the next generation of theatre artists to create work and thrive in the arts sector.

PACE THEATRE COMPANY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

OBJECTIVES AND ACTIVITIES

Activities and Performance

PACE Theatre Company, based in Paisley, was founded in 1988 and is a non-profit making theatre company and registered charity specialising in work with young people. It focuses on developing and nurturing young creative talent through performing arts experiences. It runs PACE Youth Theatre, the largest youth theatre in the UK with over 1,000 young people attending each week, and produces the annual professional pantomime in Paisley along with other professional theatre and touring productions. It manages the Wynd Auditorium venue in Paisley and has rehearsal facilities in Spires Studios.

PACE is run by a core team of ten permanent staff, employing over 40 freelance artists and technical staff, and 15 part-time front of house staff. We currently produce over 180 performances for and by young people, children and families, performing to over 17,00 people, and provide over 40,000 individual participation experiences.

Former members of PACE make use of the transferable skills they learn while with us in whatever they go on to do in their future careers, hundreds also go on to work in theatre, music, film and TV as drama practitioners, directors, technical staff, performers and actors. Notable alumni have included: Richard Madden (Bodyguard, Cinderella), James McAvoy (X-Men, Wanted, Atonement), Paolo Nutini (Singer/Songwriter), James McArdle (National Theatre's The James Play & Angels in America, Mary Queen of Scots), Kevin Guthrie (Sunshine on Leith, Edie), Amy Conachan (Hollyoaks), Scott Reid (Still Game, Curious Incident of the Dog in the Night-time), Leigh Quinn (Royal Shakespeare Company), Mark Rowley (The Last Kingdom), Erin Armstrong (Shetland), Dani Heron (National Theatre Scotland's 306: Day), Keira Lucchesi (Stella in River City), Gordon McCorkell (River City), Darren Brownlie (Actor / Choreographer), David Sneddon (Songwriter, Winner Fame Academy), James Allenby-Kirk (Scot Squad, 24: Live Another Day), Paul Treacy (Taboo), Ross Russell (Top Hat), Rebecca Lafferty (Les Misérables), Ryan Hunter (Scotties), Scott Mackie (NTS Cyrano de Bergerac), Chiara Sparkes (Glasgow Girls).

STRATEGIC REPORT

Financial review

Reserve Policy

The directors have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ("the free reserves") held by the charity should be 3 to 6 months of the resources expended. At this level, the directors feel that they would be able to continue the current activities of the charity in the event of a significant drop in funding. It would obviously be necessary to consider how the funding would be replaced or activities changed. At present there are no free reserves. However the directors are confident that the actions mentioned in the financial review should remedy the situation.

Funds in Deficit

Negative unrestricted general reserves have decreased to £109,571 (2018 - deficit of £157,301) will continue to take the following actions to further reduce the deficit :-

- The company intends to continue to review membership targets and will target marketing and social media to increase the number of new members, particularly in pre-school and primary school age ranges.
- The company will continue to look for opportunities to make savings in expenditure, including, where possible, in production costs, wages and salaries, and leases and rentals. Efficiency savings and technological advances will continue to be used to make savings in postage, stationery, travel, sundry and telephone/internet costs.
- The company will continue to support the efforts of the parent fundraising committee to raise additional funds to help support and maintain the company's facilities.
- The company intends to further utilise and promote its existing assets, including rehearsal and performance space, to increase hire revenue wherever possible, particularly in times when it is currently empty or unused.
- The company has also pursued more actively sponsorship grants and donations from corporations which it hopes to build upon in the future. The company hopes to develop further opportunities that may come from an increased awareness of creative organisations in Renfrewshire as a result of Paisley's bid for 2021 UK City of Culture.

PACE THEATRE COMPANY LIMITED
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2019

STRATEGIC REPORT

Financial review

Going Concern

At 31st March 2019, the company's current liabilities exceeded its assets by £114,756 (2018 - £163,868). The company meets its day to day working capital requirements through the continuing support of its principal creditors.

The related party creditor owed to Tenon Group SIPP as disclosed in note 23 has confirmed its acceptance of a extended credit period to enable the company to settle other creditors as they fall due.

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

The directors refer to the comments included in the "Funds in Deficit" section above. The budgets prepared for the financial year ending 31st March 2020 indicate that the company can achieve a surplus for that period and the post year end management accounts indicate that company is working broadly to budget. A fundraising committee has been raising additional funds in the current financial period and this will continue in future periods.

The directors believe that it is appropriate for the financial statements to be prepared on a going concern basis. In their assessment, the directors have considered a period of more than one year from the date these accounts are being signed.

Future plans

The company is focused on creating a refreshed artistic programme, and increasing the number of young people it works with by expanding its age range to 21, and increasing participation from young people with additional support needs or who currently face financial barriers.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company is a company limited by guarantee governed in accordance with its Memorandum and Articles of Association dated 21st May, 1992 and amended to allow for current governance arrangement on 6th June, 1999. It is registered as a charity with the Office of the Scottish Charity Regulator.

Existing Directors and Appointment of Directors

The Articles of Association of the company are based upon those contained at Table A of the Schedule to the Company Regulations 1985 (under the Companies Acts 1985). The provisions of the Memorandum and Articles are fairly typical for a charitable company. At each Annual General Meeting of the company one-third of the directors (currently one director) will retire by rotation and will seek re-appointment at that meeting. The company is entitled by ordinary resolution to appoint additional directors and the directors are desirous of promoting the appointment of additional directors who can assist the directors in allowing the company to meet its objectives (and in particular are seeking a director with a financial background).

Organisation

The Board of Directors is comprised of three Directors, the Company Secretary and three members who are representational of parents and organisations which can bring expertise and offer advice to the Company. The Local Authority is also represented on the Board. The Board meets approximately 6 times a year however monthly management reports are issued. A parent/friend fundraising committee meets regularly to organise fundraising events.

Director Induction and Training

The directors are well established as directors of the company and are aware of their legal obligations as directors under the Memorandum and Articles of Association of the Company, Company Law and Charity Law. They have been and will continue to familiarise themselves with the implications of the Charities & Trustee Investment (Scotland) Act 2005. Any new directors appointed to the company will be given orientation in respect of those obligations prior to any resolution being tabled for their appointment.

Key management remuneration

The board of directors, who are the charity's trustees, and the Chief Executive Officer are the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. The current directors give of their time freely and no director received remuneration in the year. The pay of the Chief Executive Officer is reviewed annually and normally increased in accordance with average earnings.

PACE THEATRE COMPANY LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2019**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The company retains an excellent working Relationship with Renfrewshire and Renfrewshire Leisure who support the company by means of core and project funding as well as in-kind provision of facilities.

Risk management

The directors have conducted their own review of the major risks to which the company is exposed and systems have been established to mitigate those risks. Significant external risks to funding have led to the development of a strategic plan which will allow for diversification of funding and activities. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the company.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC138628 (Scotland)

Registered Charity number

SC020060

Registered office

The Spires Drama Studio
School Wynd
Paisley
PA1 2DA

Trustees

Donald Urquhart	Chairman
Graham Montgomery	

Company Secretary

Andrew McFarlane

Bankers

Bank of Scotland
The Cross
Paisley
PA1 1DB

Solicitors

Cochran Dickie & Mackenzie
21 Moss Street
Paisley
PA1 2DL

Chief Executive Officer

Grant Mason

PACE THEATRE COMPANY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of PACE Theatre Company Limited for the purposes of company law) are responsible for preparing 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;
- state whether applicable 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 company will continue in business.

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

In so far as the trustees are aware:

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

AUDITORS

The auditors, Milne Craig, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 6 December 2019 and signed on the board's behalf by:



Graham Montgomery - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF PACE THEATRE COMPANY LIMITED

Opinion

We have audited the financial statements of PACE Theatre Company Limited (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF PACE THEATRE COMPANY LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Alex Webb BAcc FCCA (Senior Statutory Auditor)

for and on behalf of Milne Craig

Chartered accountants

Statutory auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Abercorn House

79 Renfrew Road

Paisley

Renfrewshire

PA3 4DA

6 December 2019

PACE THEATRE COMPANY LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2019

		2019 Unrestricted funds £	2018 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	2	1,775	2,891
Charitable activities	5		
Operation of the theatre		539,401	503,025
Other trading activities	3	20,602	26,813
Investment income	4	-	5
Other income		<u>39,272</u>	<u>16,157</u>
Total		601,050	548,891
 EXPENDITURE ON			
Raising funds	6	18,612	16,204
Charitable activities	7		
Operation of the theatre		534,708	486,325
Other		<u>-</u>	<u>(8,391)</u>
Total		553,320	494,138
 NET INCOME		47,730	54,753
 RECONCILIATION OF FUNDS			
Total funds brought forward		(157,301)	(212,054)
 TOTAL FUNDS CARRIED FORWARD		<u>(109,571)</u>	<u>(157,301)</u>

The notes form part of these financial statements

PACE THEATRE COMPANY LIMITED

**BALANCE SHEET
AT 31 MARCH 2019**

		2019 Unrestricted funds £	2018 Total funds £
FIXED ASSETS	Notes		
Tangible assets	15	5,185	6,567
CURRENT ASSETS			
Stocks	16	2,115	500
Debtors	17	38,637	20,821
Cash at bank and in hand		<u>10,450</u>	<u>447</u>
		51,202	21,768
CREDITORS			
Amounts falling due within one year	18	(165,958)	(185,636)
NET CURRENT ASSETS/(LIABILITIES)		<u>(114,756)</u>	<u>(163,868)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(109,571)</u>	<u>(157,301)</u>
NET ASSETS/(LIABILITIES)		<u>(109,571)</u>	<u>(157,301)</u>
FUNDS	20		
Unrestricted funds		(109,571)	(157,301)
TOTAL FUNDS		<u>(109,571)</u>	<u>(157,301)</u>

The financial statements were approved by the Board of Trustees on 6 December 2019 and were signed on its behalf by:



Graham Montgomery -Trustee

The notes form part of these financial statements

PACE THEATRE COMPANY LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>12,702</u>	<u>8,382</u>
Net cash provided by (used in) operating activities		<u>12,702</u>	<u>8,382</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(2,098)	(2,425)
Interest received		<u>-</u>	<u>5</u>
Net cash provided by (used in) investing activities		<u>(2,098)</u>	<u>(2,420)</u>
		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		10,604	5,962
Cash and cash equivalents at the beginning of the reporting period	2	<u>(154)</u>	<u>(6,116)</u>
Cash and cash equivalents at the end of the reporting period	2	<u>10,450</u>	<u>(154)</u>

The notes form part of these financial statements

PACE THEATRE COMPANY LIMITED
NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES		
	2019	2018
	£	£
Net income for the reporting period (as per the statement of financial activities)	47,730	54,753
Adjustments for:		
Depreciation charges	3,472	3,986
Interest received	-	(5)
Depreciation - fixed asset disposal loss	8	479
Increase in stocks	(1,615)	-
(Increase)/decrease in debtors	(17,816)	18,833
Decrease in creditors	<u>(19,077)</u>	<u>(69,664)</u>
Net cash provided by (used in) operating activities	<u>12,702</u>	<u>8,382</u>
2. ANALYSIS OF CASH AND CASH EQUIVALENTS		
	2019	2018
	£	£
Cash in hand	10,450	447
Overdrafts included in bank loans and overdrafts falling due within one year	<u>-</u>	<u>(601)</u>
Total cash and cash equivalents	<u>10,450</u>	<u>(154)</u>

PACE THEATRE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparing the financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

PACE Theatre Company Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of the accounts as a going concern

At 31st March 2019, the company had negative unrestricted funds of £109,571 and at that date its current liabilities exceeded its assets by £114,756 (2018 - £163,868). The company meets its day to day working capital requirements through the continuing support of its principal creditors.

The related party creditor owed to Tenon Group SIPP as disclosed in note 23 has confirmed its acceptance of a extended credit period to enable the company to settle other creditors as they fall due.

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

The directors refer to the comments included in the Report of the Trustees on page 3 above. The budgets prepared for the financial year ending 31st March 2020 indicate that the company can achieve a surplus for that period and the post year end management accounts indicate that company is working broadly to budget. A fundraising committee has been raising additional funds in the current financial period and this will continue in future periods.

The directors believe that it is appropriate for the financial statements to be prepared on a going concern basis. In their assessment, the directors have considered a period of more than one year from the date these accounts are being signed.

Accounting judgements & Sources of estimation uncertainty

In preparing these financial statements, the trustees have made the following judgements:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Assets are considered for indications of impairment. If required an impairment review will be carried out and a decision made on possible impairment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Bad debts are provided for where objective evidence of the need for a provision exists.

Inventories are assessed for evidence of obsolescence and a provision is made against any inventory unlikely to be sold, or where stock is sold post year end at a loss.

PACE THEATRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019**

1. ACCOUNTING POLICIES - continued

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Income received in advance of a theatrical performance or provision of other specified service is deferred until the criteria for income recognition are met.

Other income represents those items not falling into any other heading.

Expenditure

Expenditure 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 the costs of the vending machine and merchandise and their associated support costs.
- Expenditure on charitable activities includes the costs of performances, and educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. The bases on which support costs have been allocated are set out in note 8.

Tangible fixed assets

Individual fixed assets costing £50 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Plant and machinery etc - 20% on cost

Impairment losses and losses on disposal of assets held for the charity's own use are regarded as additional depreciation as prescribed in the Statement of Recommended Practice.

PACE THEATRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019**

1. ACCOUNTING POLICIES - continued

Stocks

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

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

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.

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.

Financial Instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transactions 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 rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including 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 the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Taxation

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

PACE THEATRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019**

1. ACCOUNTING POLICIES - continued

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.

Designated funds are unrestricted funds earmarked by the Board for particular purposes.

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

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme which is managed by The People's Pension Trustee Limited. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Legal status of the charity

The charity is limited by guarantee and has no share capital. The liability of each member on winding up is limited to £1.

2. DONATIONS AND LEGACIES

	2019	2018
	£	£
Donations	<u>1,775</u>	<u>2,891</u>

3. OTHER TRADING ACTIVITIES

	2019	2018
	£	£
Fundraising events	2,012	2,666
Merchandise sales	6,464	4,201
Space hires	3,759	10,596
Vending machine income	6,350	5,766
Casting services	1,026	1,861
Advertising revenue	<u>991</u>	<u>1,723</u>
	<u>20,602</u>	<u>26,813</u>

4. INVESTMENT INCOME

	2019	2018
	£	£
Bank interest	<u>-</u>	<u>5</u>

PACE THEATRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019**

5. INCOME FROM CHARITABLE ACTIVITIES

	2019 £	2018 £
Grants		
Renfrewshire Council	<u>3,000</u>	<u>6,614</u>
	<u>3,000</u>	<u>6,614</u>
Fees		
Youth Theatre	241,456	237,881
Fest	103,276	94,206
Other	<u>3,939</u>	<u>-</u>
	<u>348,671</u>	<u>332,087</u>
Ticket sales		
Fest	20,320	18,394
Pantomime	116,871	108,367
Other	<u>4,397</u>	<u>3,351</u>
	<u>141,588</u>	<u>130,112</u>
Project income	<u>46,142</u>	<u>34,212</u>
	<u><u>539,401</u></u>	<u><u>503,025</u></u>

6. RAISING FUNDS

Raising donations and legacies

	2019 £	2018 £
Rental of rehearsal theatre	7,600	7,600
Sundries	341	701
Cafe and vending	6,028	5,821
Merchandising costs	4,578	2,082
Vending machine maintenance	<u>65</u>	<u>-</u>
	<u><u>18,612</u></u>	<u><u>16,204</u></u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs (See note 8) £	Totals £
Operation of the theatre	<u>451,301</u>	<u>83,407</u>	<u><u>534,708</u></u>

8. SUPPORT COSTS

	Management costs £	Governance costs £	Totals £
Operation of the theatre	<u>70,984</u>	<u>12,423</u>	<u><u>83,407</u></u>

PACE THEATRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019**

8. SUPPORT COSTS - continued

Support costs, included in the above are as follows:

Management

	2019 Operation of the theatre £	2018 Total activities £
Directors' Remuneration	-	6,200
Wages	50,100	45,075
Rates	484	357
Insurance	1,335	1,990
Telephone	515	1,450
Postage, stationery and advertising	3,679	1,922
Sundry expenses	2,254	3,354
Rental of office space	7,200	7,200
Bank charges	4,941	4,230
Interest payable	476	72
	<u>70,984</u>	<u>71,850</u>

Governance costs

	2019 Operation of the theatre £	2018 Total activities £
Auditors' remuneration	2,750	2,500
Auditors' remuneration for non audit work	9,673	6,648
Legal fees	-	2,072
	<u>12,423</u>	<u>11,220</u>

9. NET INCOME/(EXPENDITURE)

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

	2019 £	2018 £
Auditors' remuneration	2,750	2,500
Auditors' remuneration for non audit work	9,673	6,648
Depreciation - owned assets	3,472	3,986
Other operating leases	<u>2,286</u>	<u>3,114</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

None of the trustees received remuneration during the year to 31st March 2019 (2018 - £15,500).

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2019 nor for the year ended 31 March 2018.

PACE THEATRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019**

11. STAFF COSTS

	2019 £	2018 £
Directors' remuneration	-	15,500
Wages and salaries	316,428	263,402
National insurance	15,616	12,030
Pensions	<u>2,293</u>	<u>2,424</u>
	<u>334,337</u>	<u>293,356</u>
 Average monthly number of employees	 <u>16</u>	 <u>10</u>

No employee received emoluments of more than £60,000.

Key Management

The key management personnel of the company comprise of the Chief Executive whose employee benefits total £37,976 (2018 - £37,908).

12. EXCEPTIONAL ITEMS

Included in other costs:

	2019 £	2018 £
Staff defalcation costs/(recovery)	<u>-</u>	<u>(8,391)</u>
	<u>-</u>	<u>(8,391)</u>

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	2,891
Charitable activities	
Operation of the theatre	503,025
Other trading activities	26,813
Investment income	5
Other income	<u>16,157</u>
Total	548,891
 EXPENDITURE ON	
Raising funds	16,204
Charitable activities	
Operation of the theatre	486,325
Other	<u>(8,391)</u>
Total	494,138

PACE THEATRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019**

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

Unrestricted
funds
£

NET INCOME 54,753

RECONCILIATION OF FUNDS

Total funds brought forward (212,054)

TOTAL FUNDS CARRIED FORWARD (157,301)

14. TAXATION

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

15. TANGIBLE FIXED ASSETS

Plant and
machinery
£

COST

At 1 April 2018	60,041
Additions	2,098
Disposals	<u>(1,523)</u>

At 31 March 2019 60,616

DEPRECIATION

At 1 April 2018	53,474
Charge for year	3,472
Eliminated on disposal	<u>(1,515)</u>

At 31 March 2019 55,431

NET BOOK VALUE

At 31 March 2019 5,185

At 31 March 2018 6,567

16. STOCKS

	2019	2018
	£	£
Merchandise	<u>2,115</u>	<u>500</u>

PACE THEATRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019**

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade debtors	32,106	2,876
Prepayments and accrued income	<u>6,531</u>	<u>17,945</u>
	<u><u>38,637</u></u>	<u><u>20,821</u></u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Bank loans and overdrafts (see note 19)	-	601
Trade creditors	16,290	30,267
Social security and other taxes	7,435	4,265
Other creditors	128,624	136,624
Accruals and deferred income	<u>13,609</u>	<u>13,879</u>
	<u><u>165,958</u></u>	<u><u>185,636</u></u>

19. LOANS

An analysis of the maturity of loans is given below:

	2019	2018
	£	£
Amounts falling due within one year on demand:		
Bank overdraft	<u>-</u>	<u>601</u>

20. MOVEMENT IN FUNDS

	At 1/4/18	Net movement	Transfers	At 31/3/19
	£	in funds	between funds	£
		£	£	
Unrestricted funds				
General fund	(170,801)	47,730	500	(122,571)
Designated fund - Mark Martin Award	<u>13,500</u>	<u>-</u>	<u>(500)</u>	<u>13,000</u>
	(157,301)	47,730	-	(109,571)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u><u>(157,301)</u></u>	<u><u>47,730</u></u>	<u><u>-</u></u>	<u><u>(109,571)</u></u>

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

	Incoming	Resources	Movement in
	resources	expended	funds
	£	£	£
Unrestricted funds			
General fund	601,050	(553,320)	47,730
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u><u>601,050</u></u>	<u><u>(553,320)</u></u>	<u><u>47,730</u></u>

PACE THEATRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019**

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/17 £	Net movement in funds £	Transfers between funds £	At 31/3/18 £
Unrestricted Funds				
General fund	(226,054)	54,753	500	(170,801)
Designated fund - Mark Martin Award	<u>14,000</u>	<u>-</u>	<u>(500)</u>	<u>13,500</u>
	(212,054)	54,753	-	(157,301)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>(212,054)</u>	<u>54,753</u>	<u>-</u>	<u>(157,301)</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	548,891	(494,138)	54,753
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>548,891</u>	<u>(494,138)</u>	<u>54,753</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/4/17 £	Net movement in funds £	Transfers between funds £	At 31/3/19 £
Unrestricted funds				
General fund	(226,054)	102,483	1,000	(122,571)
Designated fund - Mark Martin Award	<u>14,000</u>	<u>-</u>	<u>(1,000)</u>	<u>13,000</u>
	(212,054)	102,483	-	(109,571)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>(212,054)</u>	<u>102,483</u>	<u>-</u>	<u>(109,571)</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,149,941	(1,047,458)	102,483
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>1,149,941</u>	<u>(1,047,458)</u>	<u>102,483</u>

Transfers between funds

The designated fund was set up following the receipt of a £20,000 donation in the year to 31st March, 2001. The purpose of the fund is for the development of the Youth Theatre. The directors have agreed that one such purpose is to provide the Mark Martin Award which awards £500 and a trophy to the member of the Youth Theatre who wins the Outstanding Achievement Award for the year.

PACE THEATRE COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2019**

21. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounts to £5,343 (2018 - £2,424). There were no contributions payable to the fund at the year end (2018 - £nil).

22. CAPITAL COMMITMENTS

	2019	2018
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>

23. RELATED PARTY DISCLOSURES

The company is charged rent for the use of the property at 6 School Wynd, Paisley by the Tenon Group SIPP of which Graham Montgomery is a beneficiary. During the year the company was charged rent of £36,000 (2018 - £36,000) and buildings insurance of £6,674 (2018 - £9,947).

During the year the company benefitted from an interest unsecured loan from the Tenon Group SIPP. The amount outstanding at 31st March 2019 was £128,624 (2018 - £136,624).

Ultimate controlling party

The directors are of the opinion that the company is under the ultimate control of the Board of Directors.