

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021  
FOR  
AYR GAIETY PARTNERSHIP**

McLay, McAlister & McGibbon LLP  
Chartered Accountants and Statutory Auditors  
145 St. Vincent Street  
Glasgow  
G2 5JF

**AYR GAIETY PARTNERSHIP**

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**AYR GAIETY PARTNERSHIP**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

The trustees present their report with the financial statements of the charity for the period ended 31 December 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) (FRS 102) 'Accounting and Reporting by Charities'.

### **OBJECTIVES AND ACTIVITIES**

#### **Objectives and aims**

The principal objectives of the charity are to advance the arts (and particularly the performing arts), heritage and culture, primarily within Ayrshire; and to advance education, in particular informal and formal education linked to, or through the medium of, theatre-related arts and technology, primarily within Ayrshire. The primary location of the charity's activity is the Gaiety Theatre Ayr.

#### **Significant activities**

In reviewing objectives and planning activities, the trustees confirm they have considered their duties having regard to guidance on public benefit.

#### **Volunteers**

The organisation has an extensive base of volunteers who normally meet monthly and make a significant contribution to the success of the charity. Since March 2020 the volunteer effort has largely been in abeyance other than board members, some stage crew and other individual contributions. Due to continuing uncertainties with COVID-19 during the year, this remained the case to the end of 2021, however preparations started to relaunch the volunteer activity-which remains critical to operation of the Theatre.

### **ACHIEVEMENT AND PERFORMANCE**

#### **Charitable activities**

The charity trustees are satisfied with the performance of the charity to date despite the challenges of the pandemic. Following a successful pivot to more community based and online activities during the previous year, this year saw a continuation and growth of these activities, paired with a gradual relaunch of more traditional activity on the stage. Following on from 2020, the organisation was again able to use its expertise and resources to secure and channel over £150,000 of funds to support local charities and community groups responding to the pandemic.

### **FINANCIAL REVIEW**

#### **Principal funding sources**

The charity received a revenue grant of £175,000 from South Ayrshire Council for the operation of the theatre over the period.

Emergency funding and additional activity funding were received during the year in the sums of: £452,500 (Performing Arts Venue Relief Fund), £75,000 (Adapt and Thrive), £40,789 (furlough) and £137,500 (South Ayrshire Council loan restructuring, business support and restart). In addition funding from the Supporting Communities Fund of £78,332 and the Community Renewal Fund of £78,240 were secured largely for other local community groups. £177,087 was received from the Creative Scotland Culture Collective Fund for creative community collaboration initiatives.

The attached financial statements reflect the foregoing and the trading outcome for the year under review.

The Trustees note that the continued closure of operations since mid-March 2020 due to the Covid-19 pandemic has continued to have negative impacts on the organisation. Ongoing restrictions placed the organisation in a position where it was unable to trade at any normal level, in common with all other theatres in the UK. The continued viability of the organisation has been underpinned by, and largely dependent on, a series of emergency grants (largely originating from the Scottish and UK governments) augmented by generous support from local donors. During 2021 South Ayrshire Council has provided support over and above its previous commitment and the Trustees are grateful to the Council for this essential funding.

**AYR GAIETY PARTNERSHIP**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**FINANCIAL REVIEW**

**Reserves policy**

At the balance sheet date unrestricted reserves were £54,653, whilst restricted reserves were £2,548,206.

The reserves policy of the charity is intended to ensure the availability of sufficient resources to fulfil its operational commitments (including refunding all ticket monies if requested) and to cover overhead expenditure for a three month period to enable the charitable activities of the company to continue in the future. The trustees consider that net surplus from trading is unlikely to be re-established until 2022. Accordingly the Trustees view unrestricted reserves to cover all overhead (including staffing) expenditure for a three month period to be a minimum position to continue to operate. From time to time over the year the Trustees have resolved to continue trading with a more limited level of reserves when decisions on outstanding funding applications have been expected imminently and there have been good grounds to expect a positive outcome. During 2022 the Trustees will keep this reserves policy under review with the three months policy remaining as a minimum.

**FUTURE PLANS**

With the benefit of a range of grants from different sources, the Trustees plan for the organisation to continue with a new medium term focus on:

- a) Securing backing and putting in place plans to reopen the main stage, thereby welcoming audiences and earning ticket income, and;
- b) Continuing to develop and deliver a programme of community based creative engagement activity in partnership with other local organisations and South Ayrshire Council.

The Trustees anticipate that uncertainty will continue through 2022 and beyond in view of the persistence of the Covid -19 pandemic and the growing levels of economic uncertainty, so plans will continue to be kept under review.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The main risks to which the charity is exposed are the potential of future enforced closure, loss of external funding and general economic uncertainties. These are mitigated by the continual review of forward budgets and forecasts.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The organisation operates as a Scottish Charitable Incorporated Organisation (SCIO) having charitable status under the Charities and Trustee Investment (Scotland) Act 2005. The charity is governed by a written constitution.

**Recruitment and appointment of new trustees**

The minimum number of charity trustees is three and the maximum eleven.

Membership is open to (1) any individual aged 16 or over who wishes to support the aims of the SCIO (2) South Ayrshire Council (3) University of West of Scotland, and (4) any other body (subject to a maximum of two further organisations at any given time) which, in the opinion of the board, is a key partner of the SCIO in the context of its ongoing activities.

The board shall consist of (1) up to four charity trustees appointed by corporate bodies (2) up to four charity trustees appointed from individual members, and (3) up to six charity trustees, subject to the maximum restriction of eleven in all, appointed on the basis of the special skills/experience they are able to contribute to the work of the board.

**Organisational structure**

The structure of the SCIO consists of members, who have the right to attend meetings and elect/appoint people to serve on the board and take decisions on changes to the constitution, and the board who hold regular meetings and control the activities of the SCIO. People serving on the board are referred to in the constitution as charity trustees.

Management of the day to day operations is delegated to the Chief Executive and senior staff reporting to the Trustees who meet on a regular basis to review performance and decide on key strategic issues.

Arrangements for setting remuneration of key management personnel are reviewed by the Trustees taking account of the financial position of the charity and market conditions.

**AYR GAIETY PARTNERSHIP**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Charity number**  
SC041464

**Registered office**  
The Gaiety Theatre  
Carrick Street  
Ayr  
KA7 1NU

**Trustees**  
J Welsh Chair  
C Fremantle  
J G Peterkin  
D J Quayle Treasurer  
C Costello  
E J Wyatt Chief Executive  
S Brown (resigned 11.2.21)  
B Connolly  
D Elliot

**Auditors**

McLay, McAlister & McGibbon LLP  
Chartered Accountants and Statutory Auditors  
145 St. Vincent Street  
Glasgow  
G2 5JF

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees 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).

Charity 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 charity 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 charity. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

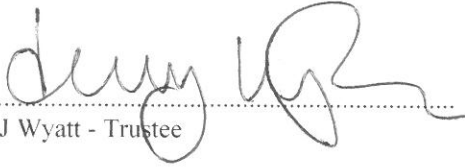
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AYR GAIETY PARTNERSHIP**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**AUDITORS**

McLay, McAlister & McGibbon LLP will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 30 September 2022 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'E J Wyatt', is written over a horizontal dotted line. The signature is cursive and somewhat stylized.

E J Wyatt - Trustee

## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF AYR GAIETY PARTNERSHIP

### **Opinion**

We have audited the financial statements of Ayr Gaiety Partnership (the 'charity') for the year ended 31 December 2021 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 charity's affairs as at 31 December 2021 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 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **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 this gives rise to a material misstatement in the financial statements themselves. 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.

### **Matters on which we are required to report by exception**

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

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF AYR GAIETY PARTNERSHIP

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees 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 charity'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**

We have been appointed as auditors under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and charity performance;
- results of our enquiries of management about their own identification and assessment of the risks and irregularities;
- any matters we identified having reviewed the charity's internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

We obtained an understanding of the legal and regulatory framework that the company operates in. The key laws and regulations we considered included the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and tax legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate. These included health and safety, GDPR and employment laws. Auditing standards limit the required audit procedures to identify non-compliance with these law and regulations to enquiry of trustees, inspection of regulatory and legal correspondence, if any, and review of minutes of meetings. These limited procedures did not identify actual or suspected non-compliance.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.



**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF  
AYR GAIETY PARTNERSHIP**

**Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, consisting of a stylized 'M' followed by a long horizontal line that tapers to the right.

McLay, McAlister & McGibbon LLP  
Chartered Accountants and Statutory Auditors  
Eligible to act as auditor in terms of section 1212 of the Companies Act 2006  
145 St. Vincent Street  
Glasgow  
G2 5JF

Date: 30 September 2022

**AYR GAIETY PARTNERSHIP**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2021**

		Unrestricted fund £	Restricted funds £	Year Ended 31.12.21 Total funds £	Period 1.4.20 to 31.12.20 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
<b>Charitable activities</b>	3				
Operation of theatre		872,479	175,000	1,047,479	580,412
Community and Creative Learning		-	333,659	333,659	281,899
Other trading activities	2	<u>91,687</u>	<u>-</u>	<u>91,687</u>	<u>117,470</u>
<b>Total</b>		964,166	508,659	1,472,825	979,781
 <b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	4				
Operation of theatre		1,014,120	85,382	1,064,211	461,227
Community and Creative Learning		-	246,904	246,904	206,785
<b>Total</b>		<u>1,014,120</u>	<u>332,286</u>	<u>1,346,406</u>	<u>668,012</u>
<b>NET INCOME/(EXPENDITURE)</b>		(49,954)	176,373	126,419	311,769
<b>Transfers between funds</b>	18	<u>33</u>	<u>(33)</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		(49,921)	176,340	126,419	311,769
 <b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<u>104,574</u>	<u>2,371,866</u>	<u>2,476,440</u>	<u>2,164,671</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>54,653</u></u>	<u><u>2,548,206</u></u>	<u><u>2,602,859</u></u>	<u><u>2,476,440</u></u>

The notes form part of these financial statements

**AYR GAIETY PARTNERSHIP**

**BALANCE SHEET  
31 DECEMBER 2021**

	Notes	31.12.21 £	31.12.20 £
<b>FIXED ASSETS</b>			
Tangible assets	10	2,983,074	3,087,538
<b>CURRENT ASSETS</b>			
Stocks	11	721	823
Debtors	12	206,691	79,630
Cash at bank and in hand		<u>594,101</u>	<u>340,047</u>
		801,513	420,500
<b>CREDITORS</b>			
Amounts falling due within one year	13	(491,983)	(270,046)
<b>NET CURRENT ASSETS</b>		<u>309,530</u>	<u>150,454</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,292,604	3,237,992
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	(689,745)	(761,552)
<b>NET ASSETS</b>		<u>2,602,859</u>	<u>2,476,440</u>
<b>FUNDS</b>	18		
Unrestricted funds		54,653	104,574
Restricted funds		<u>2,548,206</u>	<u>2,371,866</u>
<b>TOTAL FUNDS</b>		<u>2,602,859</u>	<u>2,476,440</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 30 September 2022 and were signed on its behalf by:

  
 .....  
 D J Quayle - Trustee

**AYR GAIETY PARTNERSHIP**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Year Ended 31.12.21 £	Period 1.4.20 to 31.12.20 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	245,720	289,772
Interest paid		<u>(33,655)</u>	<u>(12,323)</u>
Net cash provided by operating activities		<u>212,065</u>	<u>277,449</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>23,936</u>	<u>-</u>
Net cash provided by investing activities		<u>23,936</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
New loans in year		22,178	227,912
Loan repayments in year		<u>(4,125)</u>	<u>(180,000)</u>
Net cash provided by financing activities		<u>18,053</u>	<u>47,912</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
		254,054	325,361
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>340,047</u>	<u>14,686</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>594,101</u>	<u>340,047</u>

The notes form part of these financial statements

**AYR GAIETY PARTNERSHIP**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	Year Ended 31.12.21 £	Period 1.4.20 to 31.12.20 £
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	126,419	311,769
<b>Adjustments for:</b>		
Depreciation charges	80,528	60,485
Interest paid	33,655	12,323
Decrease in stocks	102	-
(Increase)/decrease in debtors	(127,061)	15,124
Increase/(decrease) in creditors	<u>132,077</u>	<u>(109,929)</u>
<b>Net cash provided by operations</b>	<u>245,720</u>	<u>289,772</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.21 £	Cash flow £	At 31.12.21 £
<b>Net cash</b>			
Cash at bank and in hand	<u>340,047</u>	<u>254,054</u>	<u>594,101</u>
	<u>340,047</u>	<u>254,054</u>	<u>594,101</u>
<b>Debt</b>			
Debts falling due within 1 year	(37,634)	(89,860)	(127,494)
Debts falling due after 1 year	<u>(761,552)</u>	<u>71,807</u>	<u>(689,745)</u>
	<u>(799,186)</u>	<u>(18,053)</u>	<u>(817,239)</u>
<b>Total</b>	<u>(459,139)</u>	<u>236,001</u>	<u>(223,138)</u>

## AYR GAIETY PARTNERSHIP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities SORP (FRS 102) '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) (effective 1 January 2019)'. The financial statements have been prepared under the historical cost convention.

##### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants that specify or imply performance conditions are recognised in income when these conditions are met. Where grants do not specify performance conditions they are recognised in income when the funds are receivable. Grants received before the performance conditions are satisfied are recognised in liabilities as deferred income.

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. 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	-	Straight line over 50 years
Plant and machinery	-	10% on cost
Fixtures and fittings	-	10% 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 charity is exempt from 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.

##### **Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

##### **Financial assets and liabilities**

Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which is measured at the present value of future payments discounted at a market rate of interest for a similar instrument. Trade and other debtors and creditors are generally recognised at their settlement amounts.

**AYR GAIETY PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**1. ACCOUNTING POLICIES - continued**

**Going concern**

The charity is dependent on third party revenue funding to support the core theatre operation charitable activity.

Following the COVID-19 pandemic, the trustees have undertaken a review of the trading forecasts and cashflows of the charity taking account of the working capital position, additional grant funding received and business support measures provided by the UK government.

After making enquiries, the trustees believe that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly the accounts continue to be prepared on the going concern basis.

**2. OTHER TRADING ACTIVITIES**

	Year Ended 31.12.21	Period 1.4.20 to 31.12.20
	£	£
Fundraising events	<u>91,687</u>	<u>117,470</u>

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Activity	Year Ended 31.12.21	Period 1.4.20 to 31.12.20
		£	£
Theatre income	Operation of theatre	105,019	636
Restoration fund ticket levy	Operation of theatre	28,080	-
Other income	Operation of theatre	68,368	-
Grants	Operation of theatre	846,012	579,776
Grants	Community and Creative Learning	333,659	281,899
		<u>1,381,138</u>	<u>862,311</u>

**4. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Support costs (see note 5) £	Totals £
Operation of theatre	1,094,702	4,800	1,099,502
Community and Creative Learning	246,904		246,904
	<u>1,341,606</u>	<u>4,800</u>	<u>1,346,406</u>

**AYR GAIETY PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**5. SUPPORT COSTS**

	Governance costs £ <u>4,800</u>
Operation of theatre	

**6. NET INCOME/(EXPENDITURE)**

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

	Year Ended 31.12.21 £	Period 1.4.20 to 31.12.20 £
Auditors' remuneration	4,800	4,000
Depreciation - owned assets	<u>80,528</u>	<u>60,485</u>

**7. TRUSTEES' REMUNERATION AND BENEFITS**

	Year Ended 31.12.21 £	Period 1.4.20 to 31.12.20 £
Trustees' salaries	44,000	27,500
Trustees' social security	4,852	2,886
Trustees' pensions paid	<u>1,133</u>	<u>685</u>
	<u>49,985</u>	<u>31,071</u>

The above remuneration to the Chief Executive E J Wyatt is authorised under the Constitution of the Charity for services provided.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the period ended 31 December 2020.

**8. STAFF COSTS**

	Year Ended 31.12.21 £	Period 1.4.20 to 31.12.20 £
Wages and salaries	345,315	210,360
Social security costs	23,113	12,051
Other pension costs	<u>5,058</u>	<u>3,196</u>
	<u>373,486</u>	<u>225,607</u>



**AYR GAIETY PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**8. STAFF COSTS - continued**

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

	Year Ended 31.12.21 <u>20</u>	Period 1.4.20 to 31.12.20 <u>16</u>
Technical and administration staff	<u>20</u>	<u>16</u>

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

**9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
<b>Charitable activities</b>			
Operation of theatre	570,412	10,000	580,412
Community and Creative Learning	-	281,899	281,899
Other trading activities	<u>117,470</u>	<u>-</u>	<u>117,470</u>
<b>Total</b>	687,882	291,899	979,781
 <b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Operation of theatre	413,658	47,569	461,227
Community and Creative Learning	-	206,785	206,785
<b>Total</b>	<u>413,658</u>	<u>254,354</u>	<u>668,012</u>
<b>NET INCOME</b>	274,224	37,545	311,769
 <b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	(169,650)	2,334,321	2,164,671
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>104,574</u>	<u>2,371,866</u>	<u>2,476,440</u>

**AYR GAIETY PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**10. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>				
At 1 January 2021	3,420,895	83,711	58,570	3,563,176
Additions	<u>(23,936)</u>	<u>-</u>	<u>-</u>	<u>(23,936)</u>
At 31 December 2021	<u>3,396,959</u>	<u>83,711</u>	<u>58,570</u>	<u>3,539,240</u>
<b>DEPRECIATION</b>				
At 1 January 2021	385,534	55,037	35,067	475,638
Charge for year	<u>65,940</u>	<u>8,731</u>	<u>5,857</u>	<u>80,528</u>
At 31 December 2021	<u>451,474</u>	<u>63,768</u>	<u>40,924</u>	<u>556,166</u>
<b>NET BOOK VALUE</b>				
At 31 December 2021	<u>2,945,485</u>	<u>19,943</u>	<u>17,646</u>	<u>2,983,074</u>
At 31 December 2020	<u>3,035,361</u>	<u>28,674</u>	<u>23,503</u>	<u>3,087,538</u>

**11. STOCKS**

	31.12.21 £	31.12.20 £
Stocks	<u>721</u>	<u>823</u>

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.21 £	31.12.20 £
Trade debtors	13,606	32,523
Other debtors	184,834	47,107
VAT	<u>8,251</u>	<u>-</u>
	<u>206,691</u>	<u>79,630</u>

**AYR GAIETY PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.21	31.12.20
	£	£
Other loans (see note 15)	127,494	37,634
Trade creditors	29,105	15,245
Social security and other taxes	12,072	6,726
VAT	-	23,253
Accruals and deferred income	<u>323,312</u>	<u>187,188</u>
	<u>491,983</u>	<u>270,046</u>

Accruals includes £178,322 (2020 - £131,838) of deferred income from receipt of advance ticket sales and £34,777 of deferred income in respect of grants where the performance conditions have not been satisfied.

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.12.21	31.12.20
	£	£
Other loans (see note 15)	<u>689,745</u>	<u>761,552</u>

**15. LOANS**

An analysis of the maturity of loans is given below:

	31.12.21	31.12.20
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>127,494</u>	<u>37,634</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>171,137</u>	<u>84,445</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>327,610</u>	<u>499,387</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Other loans more 5yrs instal	190,998	177,720

**16. SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.21	31.12.20
	£	£
Other loans	<u>817,239</u>	<u>799,186</u>

Loans are secured by standard securities over the charity's property.

AYR GAIETY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	31.12.21 Total funds £	31.12.20 Total funds £
Fixed assets	736,458	2,246,616	2,983,074	3,087,538
Current assets	499,923	301,590	801,513	420,500
Current liabilities	(491,983)	-	(491,983)	(270,046)
Long term liabilities	(689,745)	-	(689,745)	(761,552)
	<u>54,653</u>	<u>2,548,206</u>	<u>2,602,859</u>	<u>2,476,440</u>

18. MOVEMENT IN FUNDS

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
<b>Unrestricted funds</b>				
General fund	104,574	(49,954)	33	54,653
<b>Restricted funds</b>				
Gaiety Theatre Restoration & Heritage Project	2,296,720	(50,091)	-	2,246,629
Ayrshire Youth Arts and Community Projects	26	-	(26)	-
Ayrshire Rural Touring Network Project Supporting Communities and Recovery Fund	75,113	(32,506)	-	42,607
Culture Collective	-	119,261	-	119,261
Loan Restructuring	-	100,000	-	100,000
Adapt and Thrive	-	39,709	-	39,709
	<u>2,371,866</u>	<u>176,373</u>	<u>(33)</u>	<u>2,548,206</u>
<b>TOTAL FUNDS</b>	<u>2,476,440</u>	<u>126,419</u>	<u>-</u>	<u>2,602,859</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	964,166	(1,014,120)	(49,954)
<b>Restricted funds</b>			
Gaiety Theatre Restoration & Heritage Project	-	(50,091)	(50,091)
Supporting Communities and Recovery Fund	156,572	(189,078)	(32,506)
Culture Collective	177,087	(57,826)	119,261
Loan Restructuring	100,000	-	100,000
Adapt and Thrive	75,000	(35,291)	39,709
	<u>508,659</u>	<u>(332,286)</u>	<u>176,373</u>
<b>TOTAL FUNDS</b>	<u>1,472,825</u>	<u>(1,346,406)</u>	<u>126,419</u>

**AYR GAIETY PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**18. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

	At 1.4.20 £	Net movement in funds £	At 31.12.20 £
<b>Unrestricted funds</b>			
General fund	(169,650)	274,224	104,574
<b>Restricted funds</b>			
Gaiety Theatre Restoration & Heritage Project	2,334,288	(37,568)	2,296,720
Ayrshire Youth Arts and Community Projects	26	-	26
Ayrshire Rural Touring Network Project Supporting Communities and Recovery Fund	7	-	7
	<u>-</u>	<u>75,113</u>	<u>75,113</u>
	<u>2,334,321</u>	<u>37,545</u>	<u>2,371,866</u>
<b>TOTAL FUNDS</b>	<u><u>2,164,671</u></u>	<u><u>311,769</u></u>	<u><u>2,476,440</u></u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	687,883	(413,659)	274,224
<b>Restricted funds</b>			
Gaiety Theatre Restoration & Heritage Project	10,000	(47,568)	(37,568)
Supporting Communities and Recovery Fund	<u>281,898</u>	<u>(206,785)</u>	<u>75,113</u>
	<u>291,898</u>	<u>(254,353)</u>	<u>37,545</u>
<b>TOTAL FUNDS</b>	<u><u>979,781</u></u>	<u><u>(668,012)</u></u>	<u><u>311,769</u></u>

The purpose of the Restoration and Heritage Project Fund is to provide for the capital refurbishment expenditure and associated costs in re-establishing an operational theatre.

The purpose of the Ayrshire Youth Arts and Community Projects fund is to provide outreach drama based activities in the local community.

The purpose of the Ayrshire Rural Touring Network Project fund is to provide drama performances in rural locations throughout Ayrshire.

The purpose of the Supporting Communities and Recovery Fund is to provide support to individuals and groups during the Covid-19 pandemic.

The purpose of the Culture Collective Fund is to develop and deliver creative projects with local communities.

**AYR GAIETY PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**18. MOVEMENT IN FUNDS - continued**

The purpose of the Loan Restructuring Fund is to assist restructuring of the existing loan obligations.

The purpose of the Adapt and Thrive Fund is assist with the challenges presented by Covid-19.

**19. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 December 2021.

**20. POST BALANCE SHEET EVENTS**

Following the mandatory closure of theatres by the Scottish Government during December 2021, £95,760 of costs were recovered by grant funds awarded in March 2022.