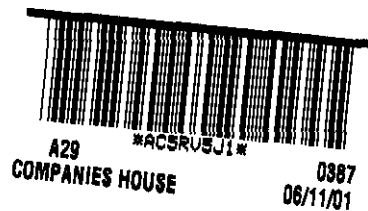


Charity Commission Number: 286876
Company Registration Number: 1711502

THE SOUTHAMPTON NUFFIELD THEATRE
TRUST LIMITED
(limited by guarantee)

DIRECTORS' REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2001



THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED
(limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

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THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED
(limited by guarantee)

ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31ST MARCH 2001

Charity Commission Registered No.	286876
Company Registered No.	01711502
Registered and Principal Office	University Road Southampton Hampshire S017 1TR
Solicitors	Paris Smith and Randall 1 London Road Southampton S015 2AE
Auditors	Fiander Tovell & Co Stag Gates House 63/64 The Avenue Southampton S017 1XS
Bankers	National Westminster Bank plc Woollen Hall Castle Way Southampton S014 2DE

THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED
(limited by guarantee)

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31ST MARCH 2001

2000/01 was a remarkably successful year for the Nuffield Theatre Company. Record audiences attended and participated in an extraordinary range of theatre activities, including main house shows, small-scale touring, toured-in work, and an extensive programme of participatory projects targeting all sections of our local community.

The company's national profile rose through a highly acclaimed London transfer of the *John Wayne Principle*, nationwide touring of its small-scale children's theatre productions, and national press interest in *Spike*, *Beach Wedding* and *The Tempest*. High profile was matched by critical praise, leading to quotes such as: "The considerable reputation of the Nuffield Theatre in Southampton is built primarily on its on going commitment to new writing. But over the past six years, a series of excellent productions by artistic director Patrick Sandford has made the annual autumn Shakespeare an increasingly eagerly anticipated event." The Guardian.

Other key achievements during the year included the development of the new Southampton writers through the company's Writers Group. During 2000/01 the Nuffield worked closely with two members of the group, commissioning a new piece from Mark Castle, and developing a co-production of Maggie Neville's play, *The Shagaround*, for production next year.

Work during the year included:

Nuffield Theatre Company Productions

Big Friendly Giant. This touring production, aimed at 5-11 year olds, arrived in the main house for a highly successful run, attracting over three thousand children. "Magical – the children were captivated and so were the teachers." Stoke Park Junior School.

Beach Wedding by Didier van Cauwelaert. Translated and directed by Patrick Sandford. The British premiere of this award-winning French play opened the Autumn Season. "Regulars at The Nuffield Theatre will be familiar with artistic director Patrick Sandford's penchant for French drama, and with his writing ability, which has spawned a string of entertaining Christmas shows. So there is likely to be considerable interest in the prospect of the two elements coming together as Sandford directs his own translation of Didier van Cauwelaert's play." The Guardian. "This British premiere production is absorbing from start to finish and creates many avenues for thought on route." The Stage.

The Tempest. A new production directed by Patrick Sandford with Julian Glover as Prospero. "Spell-binding intelligent performance (Julian Glover) in Patrick Sandford's rich interpretation of this play." The Independent. Independent Critics' Choice.

Treasure Island – played to record audiences during the Christmas season. "The Nuffield Theatre's production of *Treasure Island* is a gem hidden in the heart of Highfield." Southern Daily Echo.

Spike by Simon Day. Co-produced with Theatre of Comedy and starring Richard Briers *Spike* played to sell out audiences and attracted significant national press attention. "There is not a weak link in this exhilarating production." The Stage.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED
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CHAIRMAN'S REPORT FOR THE YEAR ENDED 31ST MARCH 2001
(continued)

Midsummer Nights Dream and *The Tempest*. (Shakespeare First Company). Adapted by Associate Director Daniel Buckroyd for small-scale touring with a cast of three, these two Shakespeare plays also played in the main house. "The most outstanding educational theatre I have experienced in many years." St Patrick's Primary School.

Bill's New Frock and *The Ghost Downstairs* (Theatre First Company). A second company performed these two adaptations of children's stories in the main house and on tour. "Great script, energetic performances throughout – great sense of humour." Komedia Theatre, Brighton.

Toured-in Adult Theatre and Sunday Specials

The company presented three weeks of toured-in work in the main house:

- A diverse week of hit shows from the Edinburgh Festival entitled *Spoilt for Choice*.
- Visiting Moon Productions' performance of Brecht's *The Mother*.
- *I Know What You Want*, a new play by Jim Madden.

Following last year's successful introduction of Special Sunday performances, the number programmed this year rose to twenty-five.

Toured-in Children's Theatre

An on-going programme of Saturday Children's theatre was presented for 3-11 year olds.

Nuffield Theatre Company on Tour

The John Wayne Principle. Following its success at the Nuffield Theatre, *The John Wayne Principle* transferred to London's Pleasance Theatre, where it received high critical acclaim and was chosen as Time Out Critics' Choice.

Midsummer Nights Dream, *The Tempest*, *Bills New Frock* and *The Ghost Downstairs*. The company expanded its small-scale educational touring arm, taking two companies with four shows nationwide. Visiting arts centres as well as schools and community venues, this touring pattern reached significantly more audiences and helped build the Nuffield's profile throughout the country.

Projects and Participation

Workshops for Adults and Children. Theatre skills workshops took place at the theatre throughout the year. In addition, outreach work in schools including workshops and talks, and INSET accompanied the small-scale touring shows.

Nuffield Youth Theatre. Over fifty local children participated in this week-long youth theatre project. Targeting key schools on the theatre's doorstep, this project introduced non-attending local families to the Nuffield Theatre.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED
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CHAIRMAN'S REPORT FOR THE YEAR ENDED 31ST MARCH 2001
(continued)

Hampshire Youth Theatre. This was the second year that the company had produced this two-week participatory project. Thirty-five of Hampshire's most talented young people joined forces with a professional team from the Nuffield Theatre Company to produce the World premiere of Seamus Heaney's translation of *Beowulf* under the direction of Daniel Buckroyd.

Theatre First Club. Launched this year, the Theatre First Club provides 3-11 year olds with a range of offers and activities 'behind the scenes'. Two hundred and fifty local children joined the club during the year.

The Writers Group. A year long course run by Script Executive John Burgess, the Writers Group develops the theatre writing potential of a small group of talented Southampton writers.

Activities around main house shows. The company continued to run this range of successful participatory activities including Meet the Cast sessions, Play Days and Friday Night Parties.

Open Day. Billed as a great family day out, this highly successful event attracted over two thousand people to the theatre, where they participated in theatre skills workshops, watched short family performances, saw lighting and pyrotechnic displays, and enjoyed a festive atmosphere.

Home for local amateur/community companies

The Nuffield continued its long-standing relationship with local amateur and community groups, hosting and supporting 7 weeks of work from local companies.

Managerially, 2000/01 was a year of significant development for the Nuffield Theatre Company.

The company carried out a process of self-assessment and strategic planning, following Southern Arts 1999 appraisal, and in the context of the Arts Council's emerging National Policy for Theatre. Marketing and fundraising were identified as key priority areas for development, and during the course of the year the company embarked on a process to achieve this. A new marketing manager was recruited with a brief to create a plan to build audiences over the next three years, and a freelance fundraiser was taken on for a year to develop and deliver a fundraising strategy. Alongside this, the company continued to extend its far-reaching work on issues of accessibility. Building on a previous apprenticeship, the company employed a disabled person as Apprentice Touring and Projects Stage Manager for a year, funded by the Arts Council. It also continued to operate a cross-company Arts and Disability committee, to offer sign-interpreted and audio-described performances, and during the course of the year, the company began work on the development of a disability action plan.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED
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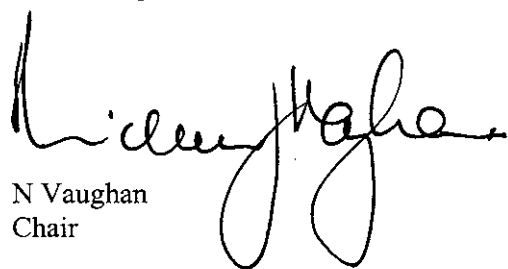
CHAIRMAN'S REPORT FOR THE YEAR ENDED 31ST MARCH 2001
(continued)

The year saw one very significant staff change, after 13 years as Administrative Director, Mark Courtice left in March to take up his new role as Chief Executive of the Theatre Royal Brighton. His departure was the cause of much sadness but also excitement for him in his new post. Mark's leadership, and the qualities he brought to the organisation have been hugely valued. The continuity of the organisation was ensured by Artistic Director, Patrick Sandford assuming the responsibilities of Chief Executive, though ultimately he felt that he did not wish to assume this title. We were delighted to welcome Kate Anderson as the Nuffield Theatre Company's new Administrative Director in March 2001, and although she had only been in post for a very short time by the end of the financial year, it was clear that she was settling in admirably.

Other significant staff changes during the year included the appointment of John Burgess as Script Executive, Sara St George as Marketing Manager, Nicky Wingfield as Production Manager, and Sarah-Jane Browning as Front of House Manager. The company contracted freelance fundraiser Helen Hughes for one year starting in January 2001.

The Nuffield Theatre Company was very grateful for the support of its funders during 2000/01. Particular thanks are expressed to the Nuffield's major funders – Southern Arts, Southampton City Council, University of Southampton and Hampshire County Council. The committed support of these organisations, both financial and advisory, has enabled the company to deliver its diverse, high quality range of theatre activities for the local community. The year was not uneventful in funding terms. Internal City Council debate regarding possible cuts finally resulted in a standstill in the Nuffield Theatre Company's grant rather than a reduction. In contrast, following the National Theatre Review, the company was informed of future increases from Southern Arts of £50,000 in 2002/03 and £125,000 in 2003/04 and 2004/05. This represents an increase of approximately 33% over three years, less than we had hoped for but clearly welcome. More disturbing was the question mark placed over Southern Arts itself, following the announcement of widespread proposals for change in the Arts Council/Regional Arts Board funding structure. By the end of the year, no clear resolution was seen. The Nuffield is playing a strong part in these discussions and the directors note the considerable time and energy this demands of its senior officers.

The Board would also like to extend their thanks to the Nuffield's staff who have achieved a great deal during the year. Important and positive managerial developments have been effected following the company's review, against a challenging backdrop of key personnel changes and instances of funding threat. We are also very grateful to the Nuffield Theatre Club who have continued their stalwart support and enormous enthusiasm for the company. It was with considerable sadness that the Board heard about proposals to vote on a possible closure of the Theatre Club next year. However, the plan to transfer the membership to a refreshed in-house scheme will bring an exciting opportunity to continue the close relationship with the individuals who have supported the company so loyally over the years.



N Vaughan
Chair

THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED
(limited by guarantee)

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2001

The board members have pleasure in presenting their fifteenth annual report and the financial statements for the year ended 31st March 2001.

Trust Status

The company is limited by guarantee and is registered with the Charity Commission.

Principal Activity

The principal activity of the Trust consists of the management and promotion of the Nuffield Theatre, its resident company and related services. The Southampton Nuffield Theatre Trust was established with the primary objectives of encouraging the Arts, the promotion and advancement of Education and the cultivation and improvement of public education in the Arts.

Financial Review and Reserves Policy

Following a concerted effort throughout 2000/01, at the year end the income and expenditure account showed a surplus for the year of £25,895 on the unrestricted funds bringing the accumulated deficit down to £8,373. This was a significant improvement in the charity's financial position. Over a three year period, the charity had succeeded in reducing its deficit by £153,000. Southampton Nuffield Theatre Trading Company Limited made a surplus of £20,039, which was gift aided to The Southampton Nuffield Theatre Trust Limited.

The Board's policy is to operate the charity with a small surplus. Over the last three years a strategic plan to wipe out the charity's unrestricted deficit has been highly successful. At the end of 2000/01 the deficit now stands at £8,373 and the Board are estimating that this will drop by a minimum of a further £5,000 by the end of 2001/02.

The trustees confirm that the funds held can meet existing obligations.

Risk Management

The major risks to which the charity is exposed are reviewed by the trustees and systems established to mitigate those risks.

Organisational Structure

A board of up to 20 members, who meet quarterly, administers the charity. This board comprises two appointed members from the University of Southampton, two appointed members from Southampton City Council and two appointed members from Hampshire County Council, together with independent members elected by the Board and described as elected members.

The Board has mandated an Executive Committee to meet monthly to consider management accounts and review the day to day operations of the company. An Artistic Director and Administrative Director are appointed by the Board to manage the day to day activities of the charity.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED
(limited by guarantee)

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2001
(continued)

Board Members

The members constitute directors for the purposes of the Companies Act 1985 and trustees for the purposes of charity law. The members who served during the year were:

Appointed Members

Cllr Mrs S Allbright
Mr M Arthur (appointed on 3rd February 2001)
Cllr J Bryant
Cllr D Hill
Prf C Kaplan (appointed on 1st April 2000)
Cllr M Singerman (retired on 24th May 2000)
Cllr P Simpson (appointed on 21st December 2000)
Mr A J Vinson (retired on 28th July 2000)

Elected Members

Rear Admiral R G Baylis
Mr A Black
Mrs J Collett
Mr T Goddard
Mr P Grinyer (appointed on 14th March 2001)
Mr I M Hobbins (retired on 1st November 2000)
Mr K Hooper
Mr W B Laidlaw
Mrs J Rattle
Ms P Robertson
Mrs A J Shakespeare (retired on 22nd June 2000)
Mrs T A Short
Mr N Vaughan (Chairman)
Ms Z Walker
Mr P J Wise (retired on 7th February 2001)
Mr A Young (appointed on 30th May 2000)

Ex Officio

Mrs J Palmer (Nuffield Theatre Club)
Mr K Spencer (Amateur Users Group)

THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED
(limited by guarantee)

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2001
(continued)

Statement of Board Members' Responsibilities

Law applicable to incorporated charities in England and Wales requires the board members, who are also directors of the company, 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 group at the end of the year and of its financial activities during the year then ended. In preparing those financial statements, the board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The board members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

This report was approved by the Board of Members on 30th October 2001
and signed on its behalf by



K Anderson
Secretary

**REPORT OF THE AUDITORS TO THE MEMBERS OF
THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED (limited by guarantee)**

We have audited the financial statements on pages 10 to 23, which have been prepared in accordance with the accounting policies set out on pages 13 to 15.

Respective Responsibilities of Board Members and Auditors

As described on page 8, the charity's board members, who are also the directors of The Southampton Nuffield Theatre Trust Limited, are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the board members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Going Concern

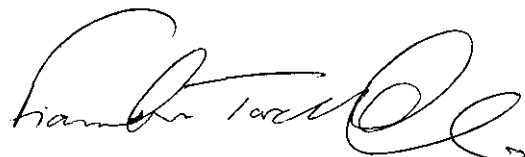
In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the appropriateness of the going concern basis of their preparation, the validity of which depends upon sufficient funding being received to meet the financial commitments arising from the continuation of the group's activities. In view of the significance of this uncertainty, we consider that it should be drawn to your attention. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company and the group as at 31st March 2001 and of the group's incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

30th October 2001

Fiander Tovell & Co
Stag Gates House
63/64 The Avenue
Southampton
SO17 1XS



CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED
(limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2001

	Notes	Restricted Funds	Unrestricted Funds	Total Funds 2001	Total Funds 2000
		£	£	£	£
<u>Incoming Resources</u>					
Operating Activities:					
Production Income		-	544,953	544,953	590,161
Commercial Trading	3	-	110,730	110,730	93,015
Grants	4	83,795	746,744	830,539	807,716
Less: Deferred Income		(30,000)	-	(30,000)	-
Donations		-	6,841	6,841	-
Other Income		-	12,414	12,414	33,573
Total Incoming Resources		53,795	1,421,682	1,475,477	1,524,465
Less: Cost of Generating Funds:					
Commercial Trading		-	80,024	80,024	64,437
Fundraising Expenses		-	5,032	5,032	16,519
Net Incoming Resources available for charitable application		53,795	1,336,626	1,390,421	1,443,509
<u>Charitable Expenditure</u>					
Production and Related Support Costs		25,325	986,931	1,012,256	1,018,492
Premises Costs		79,824	84,454	164,278	165,785
Management and Administration of the Charity		-	267,816	267,816	232,885
Total Charitable Expenditure	5	105,149	1,339,201	1,444,350	1,417,162
Net (Outgoing)/Incoming Resources for the year		(51,354)	(2,575)	(53,929)	26,347
Transfer in respect of Fixed Asset Purchase		(28,470)	28,470	-	-
Net Movement of Funds for the year		(79,824)	25,895	(53,929)	26,347
Total Funds brought forward		1,217,504	(34,268)	1,183,236	1,156,889
Total Funds carried forward		1,137,680	(8,373)	1,129,307	1,183,236

THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED
(limited by guarantee)

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2001

	<u>Notes</u>	<u>2001</u> £	<u>2000</u> £
OPERATING INCOME		665,949	641,603
GRANTS AND DONATIONS RECEIVABLE		807,380	807,716
<u>TOTAL INCOME</u>		<u>1,473,329</u>	<u>1,449,319</u>
OPERATING EXPENSES		1,528,957	1,422,066
<u>NET OPERATING (DEFICIT)/SURPLUS</u>	7	<u>(55,628)</u>	<u>27,253</u>
Other Interest Receivable and Similar Income	8	2,148	709
Interest Payable and Similar Charges	9	(449)	(1,615)
<u>RETAINED (DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR</u>		<u>£(53,929)</u>	<u>£26,347</u>

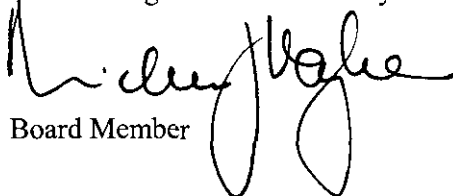
There are no recognised gains and losses other than those passing through the income and expenditure account. The results for the years reported above relate to continuing activities.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED
(limited by guarantee)

BALANCE SHEET AS AT 31ST MARCH 2001

		2001		2000	
	Notes	Group £	Company £	Group £	Company £
<u>FIXED ASSETS</u>					
Tangible Assets	10	1,241,246	1,241,246	1,312,232	1,312,232
Investments	11	-	2	-	2
		<u>1,241,246</u>	<u>1,241,248</u>	<u>1,312,232</u>	<u>1,312,234</u>
<u>CURRENT ASSETS</u>					
Stocks	12	15,071	11,150	15,297	11,790
Debtors	13	106,887	113,574	55,098	60,652
Cash at Bank and in Hand		42,692	39,924	25,118	23,069
		<u>164,650</u>	<u>164,648</u>	<u>95,513</u>	<u>95,511</u>
<u>CREDITORS: amounts</u> falling due within one year	14	(264,089)	(264,089)	(208,884)	(208,884)
<u>NET CURRENT</u> <u>LIABILITIES</u>		<u>(99,439)</u>	<u>(99,441)</u>	<u>(113,371)</u>	<u>(113,373)</u>
<u>TOTAL ASSETS LESS</u> <u>CURRENT LIABILITIES</u>		<u>1,141,807</u>	<u>1,141,807</u>	<u>1,198,861</u>	<u>1,198,861</u>
<u>CREDITORS: amounts</u> falling due after more than one year	15	(12,500)	(12,500)	(15,625)	(15,625)
<u>NET ASSETS</u>		<u>£1,129,307</u>	<u>£1,129,307</u>	<u>£1,183,236</u>	<u>£1,183,236</u>
<u>RESERVES</u>					
Unrestricted Funds		(8,373)	(8,373)	(34,268)	(34,268)
Restricted Funds	17	1,137,680	1,137,680	1,217,504	1,217,504
		<u>£1,129,307</u>	<u>£1,129,307</u>	<u>£1,183,236</u>	<u>£1,183,236</u>

These financial statements were approved by the Board of Members on: 30th October 2001,
and were signed on its behalf by:


Board Member


Board Member

THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED
(limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2001

1. Trust Status

The Southampton Nuffield Theatre Trust Limited is a company limited by guarantee and is registered with the Charity Commission No: 286876.

Each member of the company has guaranteed the liabilities of the company to the extent of £100 each.

2. Principal Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2000) issued in October 2000, applicable accounting standards and the Companies Act 1985. As the company is a charity, the wording of the statutory formats required by the Companies Act 1985 have been appropriately amended in order to give a true and fair view.

The financial statements have also been prepared on a going concern basis, which assumes that the group will continue to operate. The validity of this assumption is dependent upon the continued support of the funding bodies of the group.

If the group were unable to continue to trade, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities that might arise, and to reclassify fixed assets to current assets.

Basis of Consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertaking. In the company's financial statements, the investment in subsidiary is stated at cost.

Under Section 230(4) of the Companies Act 1985 the company is exempt from the requirement to present its own income and expenditure account.

Cash Flow Statement

The group qualifies as a small group within the meaning of Sections 246-249 of the Companies Act 1985. Therefore, in accordance with Financial Reporting Standard 1 (Cash flow statements), the group is not required to prepare a cash flow statement.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED
(limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2001
(continued)

2. Principal Accounting Policies
(continued)

Fund Accounting

In accordance with the Standard of Recommended Practice, grants received for specific purposes are credited to separate restricted funds.

Capital grants are included in incoming resources. If there is a continuing restriction the appropriate annual depreciation charge is transferred from this fund each year. If there is no continuing restriction the whole cost is transferred from the restricted fund on purchase of the asset.

Revenue grants receivable by the theatre are matched against the expenditure towards which they are intended to contribute.

Incoming Resources

Production income represents the value of ticket and programme sales, lettings, royalties and similar related income, excluding value added tax, in the period in which the activity takes place. Commercial trading income is included in the period in which the group is entitled to receipt.

Grants and Donations

Income from grants and donations are included when receivable except when

- i) grants and donations are specified by the donor as for use in future accounting periods, or
- ii) conditions have not been fulfilled to entitle the charity to use the income.

In such cases the income is treated as deferred income.

Expenditure

Resources expended are included on an accruals basis, inclusive of any VAT which cannot be recovered. Production costs are stated net of co-production income which contributes towards these costs.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED
(limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2001
(continued)

2. Principal Accounting Policies
(continued)

Depreciation

Depreciation is calculated so as to write off the cost or valuation of tangible fixed assets by equal instalments over their estimated useful lives as follows:

Motor Vehicles	- between 4 and 8 years
Office Equipment	- between 3 and 12 years
Theatre Equipment	- between 3 and 20 years
Leasehold improvements	- between 10 and 20 years

Assets costing more than £1,000 are capitalised.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Pension Costs

The charity participates in a defined benefit scheme. In view of the small amounts involved, pension contributions are charged in the period in which they fall due (see note 6).

Leases

Where the group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the income and expenditure account and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED
(limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2001
(continued)

3. **SUBSIDIARY UNDERTAKING**

The charity has a wholly owned trading subsidiary (see note 11) which is incorporated in the UK. Southampton Nuffield Theatre Trading Company Limited provides bar and catering services at the Nuffield Theatre and transfers its taxable profits to the company as 'gift aid'. A summary of the trading results is shown below. Audited financial statements are filed with Companies House.

<u>Profit and Loss Account</u>	<u>2001</u>	<u>2000</u>
	£	£
Turnover	110,730	93,015
Cost of Sales	55,090	43,862
Gross Profit	55,640	49,153
Net Operating Expenses	35,601	30,575
Profit on Ordinary Activities	20,039	18,578
Gift Aid	(20,039)	(18,578)
Retained Profits	-	-

4. **GRANTS RECEIVABLE**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	<u>Total</u>
	<u>2001</u>	<u>2001</u>	<u>2001</u>	<u>2000</u>
	£	£	£	£
<u>Revenue Grants</u>				
Hampshire County Council	-	31,250	31,250	31,250
Hampshire County Council – Youth Theatre	13,500	-	13,500	12,000
Regional Arts Lottery Programme	30,000	-	30,000	-
Southampton City Council	-	219,894	219,894	218,890
Southern Arts	-	374,900	374,900	360,150
Southern Arts Special Awards	-	-	-	10,000
University of Southampton	-	116,700	116,700	116,950
ACE – Disability	11,825	-	11,825	-
Other	-	4,000	4,000	9,156
	55,325	746,744	802,069	758,396

Note continued on next page.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2001
(continued)

4. GRANTS RECEIVABLE (continued)

	<u>Restricted</u> <u>2001</u> £	<u>Total</u> <u>2001</u> £	<u>Total</u> <u>2000</u> £
<u>Capital Grants</u>			
Arts Council - National Lottery	28,470	28,470	32,000
Hampshire County Council & Southampton City Council- Information Technology	-	-	4,200
	<u>28,470</u>	<u>28,470</u>	<u>36,200</u>
<u>Total Grants</u>	<u>£83,795</u>	<u>£830,539</u>	<u>£794,596</u>

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	<u>Staff</u> £	<u>Depreciation</u> £	<u>Other</u> £	<u>Total</u> <u>2001</u> £	<u>Total</u> <u>2000</u> £
Commercial Trading	19,031	-	60,993	80,024	64,437
Fundraising	-	-	5,032	5,032	16,519
	<u>19,031</u>	<u>-</u>	<u>66,025</u>	<u>85,056</u>	<u>80,956</u>
Production and Related Support Costs	568,037	14,356	429,863	1,012,256	1,018,492
Premises Costs	-	85,550	78,728	164,278	165,785
Management and Administration of the Charity	110,836	14,256	142,724	267,816	232,885
	<u>678,873</u>	<u>114,162</u>	<u>651,315</u>	<u>1,444,350</u>	<u>1,417,162</u>
<u>Total Resources Expended</u>	<u>697,904</u>	<u>114,162</u>	<u>717,340</u>	<u>1,529,406</u>	<u>1,498,118</u>

Premises costs exclude the value of the use of the main theatre building and offices at 95 University Road which are provided by the University of Southampton at a peppercorn rent. This donation in kind is excluded from the financial statements as due to the unique circumstances it is not possible to quantify its value. Also excluded is the use of another property provided by Hampshire County Council at a nominal rent, for which it is estimated the minimum open market rental value would be £10,000 per annum.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2001
 (continued)

6. **STAFF NUMBERS AND COSTS**

The average number of full-time equivalent employees (including casual and part time staff) employed by the group during the year was as follows:

	Number of Employees	
	<u>2001</u>	<u>2000</u>
Production	30	31
Administration	20	18
	<u>50</u>	<u>49</u>

The aggregate payroll costs of these persons were as follows:

	<u>2001</u>	<u>2000</u>
	£	£
Wages and Salaries	646,242	619,024
Social Security Costs	48,691	48,724
Other Pension Costs	2,971	3,009
	<u>£697,904</u>	<u>£670,757</u>

No employee earned more than £50,000 per annum (2000 – nil). No remuneration was paid to any board member. One trustee received travelling expenses in respect of attending meetings totalling £372 for the year.

In respect of an existing interest free loan, which had been approved on behalf of the Board, and made to an ex-officer of the company, the aggregate amount outstanding at 31st March 2001 was £2,313 (2000: £3,776). The loan has been repaid since the balance sheet date.

Two employees are members of the University of Southampton 'Pension and Assurance Scheme for Non-Academic Staff', a defined benefit scheme to which contributions are made of 10.3% by the employer and 5% by the employee. The most recent triennial valuation available to the group was at 1st August 1998, and revealed that the scheme's liabilities were more than covered by its assets.

7. **NET OPERATING (DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES**

	<u>2001</u>	<u>2000</u>
	£	£
The deficit on ordinary activities is stated after charging:		
Depreciation	114,129	107,653
Auditors' Remuneration - Audit Services	4,500	4,500
- Other Services	2,450	1,900
	<u></u>	<u></u>

THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2001
(continued)

8. INTEREST RECEIVABLE

	<u>2001</u>	<u>2000</u>
On Bank Deposit Accounts	£2,148	£709
	<u> </u>	<u> </u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2001</u>	<u>2000</u>
	£	£
Bank Overdraft Interest	206	205
Loan Interest	-	367
Hire Purchase Interest	243	1,043
	<u>£449</u>	<u>£1,615</u>

10. TANGIBLE FIXED ASSETS

<u>Group and Company</u>	Theatre Equipment	Office and Catering Equipment	Leasehold Improvements	Motor Vehicles	Total
	£	£	£	£	£
<u>Cost</u>					
At beginning of year	114,289	118,195	1,603,857	9,500	1,845,841
Additions	7,784	7,009	-	28,350	43,143
At end of year	<u>122,073</u>	<u>125,204</u>	<u>1,603,857</u>	<u>37,850</u>	<u>1,888,984</u>
<u>Depreciation</u>					
At beginning of year	85,812	102,034	342,200	3,563	533,609
Charge for year	9,618	14,224	85,550	4,737	114,129
At end of year	<u>95,430</u>	<u>116,258</u>	<u>427,750</u>	<u>8,300</u>	<u>647,738</u>
<u>Net Book Value</u>					
At 31st March 2001	<u>26,643</u>	<u>8,946</u>	<u>1,176,107</u>	<u>29,550</u>	<u>1,241,246</u>
At 31st March 2000	<u>28,477</u>	<u>16,161</u>	<u>1,261,657</u>	<u>5,937</u>	<u>1,312,232</u>

Included in the total net book value of fixed assets is £nil (2000: £4,270) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £nil (2000: £4,202).

THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2001
(continued)

11. INVESTMENTS

	<u>2001</u>	<u>2000</u>
<u>Company</u>		
Shares in Group Undertaking	£2	£2

<u>Name</u>	<u>Class of Shares</u>	<u>Group Interest</u>	<u>Registered</u>	<u>Principal Activity</u>
Southampton Nuffield Theatre Trading Company Limited	Ordinary £1	100%	England and Wales	Provision of bar and catering services at the Nuffield Theatre, Southampton.

12. STOCKS

	<u>2001</u>	<u>2001</u>	<u>2000</u>	<u>2000</u>
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
Consumables and Production	£15,071	£11,150	£15,297	£11,790

13. DEBTORS

	<u>2001</u>	<u>2001</u>	<u>2000</u>	<u>2000</u>
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Trade Debtors	34,605	34,605	41,644	41,644
Amounts owed by Subsidiary Undertaking	-	6,687	-	5,554
Other Debtors	4,702	4,702	6,886	6,886
Prepayments	67,580	67,580	6,568	6,568
	<u>£106,887</u>	<u>£113,574</u>	<u>£55,098</u>	<u>£60,652</u>

All amounts are due within one year from the balance sheet date.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2001
 (continued)

14. CREDITORS: amounts falling due within one year

	<u>2001</u>	<u>2001</u>	<u>2000</u>	<u>2000</u>
	Group	Company	Group	Company
	£	£	£	£
Obligations under Hire Purchase				
Contracts	-	-	3,432	3,432
Trade Creditors	68,894	68,894	82,132	82,132
Taxation and Social Security	30,878	30,878	26,561	26,561
Other Creditors	14,028	14,028	6,239	6,239
Accruals	79,547	79,547	59,332	59,332
Deferred Income	70,742	70,742	31,188	31,188
	<hr/>	<hr/>	<hr/>	<hr/>
	264,089	264,089	208,884	208,884
	<hr/>	<hr/>	<hr/>	<hr/>

Deferred income comprises:	<u>2001</u>	<u>2000</u>
	£	£
Advance ticket sales	40,742	31,188
Grants for future productions or periods	30,000	-
	<hr/>	<hr/>
	70,742	31,188
	<hr/>	<hr/>

All the brought forward deferred income has been released in the year.

15. CREDITORS: amounts falling due
 after more than one year

	<u>Group and Company</u>	
	<u>2001</u>	<u>2000</u>
Loans	£12,500	£5,625
	<hr/>	<hr/>

Creditors include a loan of £15,625 from the Nuffield Theatre Club. Since the balance sheet date the Club has agreed that the outstanding balance is to be treated as a donation, to be released over a six year period, and the Club has been dissolved. No interest was payable on the loan.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2001
 (continued)

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed Assets £	Net Current Assets/ (Liabilities) £	Creditors due after more than one year £	Total £
<u>Unrestricted Funds</u>				
General Fund	113,568	(109,441)	(12,500)	(8,373)
<u>Restricted Funds</u>				
Refurbishment Fund	1,127,680	-	-	1,127,680
Southern Arts Special Award	-	10,000	-	10,000
	<u>1,241,248</u>	<u>(99,441)</u>	<u>(12,500)</u>	<u>1,129,307</u>

17. RESTRICTED FUNDS

	Notes	Balance brought forward £	Income £	Expenditure £	Transfers £	Balance carried forward £
Refurbishment Fund	(i)	1,207,504	-	-	(79,824)	1,127,680
Southern Arts Special Award	(ii)	10,000	-	-	-	10,000
Youth Theatre	(iii)	-	13,500	(13,500)	-	-
Disability	(iv)	-	11,825	(11,825)	-	-
Theatre Van	(v)	-	28,470	-	(28,470)	-
		<u>1,217,504</u>	<u>53,795</u>	<u>(25,325)</u>	<u>(108,294)</u>	<u>1,137,680</u>

(i) The refurbishment fund represents the external funding received specifically towards the theatre's refurbishment project undertaken from 1996 to 1999. Each year an amount is transferred to general fund reserves in respect of the depreciation charge for the year (in proportion to the total cost).

(ii) The Southern Arts Special Award fund is for a sculpture commission, which is now planned for next year.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2001
(continued)

17. **RESTRICTED FUNDS**
(continued)

(iii) The Youth Theatre fund was a specific grant from Hampshire County Council towards the theatre's youth programme.

(iv) The Disability fund was a grant from the Arts Council of England towards facilities for the employment and training of a disabled person.

(v) The Theatre Van fund was a National Lottery grant for the purchase of a van. The asset was purchased in the year and capitalised. As there are no future specific restrictions on the charity's use of the van the value has been transferred to unrestricted funds.

18. **FUTURE COMMITMENTS**

Under the terms of an agreement with the University of Southampton there is a commitment to pay £18,088 per annum towards the repair and maintenance costs of the building occupied by the group to the year 2009, and thereafter an amount to be determined at that time by review under the terms of the agreement until 2017. This fund is to be held by the University towards the cost of future building maintenance repairs.