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Charity Commission Number: 286876  
Company Registration Number: 1711502

**THE SOUTHAMPTON NUFFIELD THEATRE**  
**TRUST LIMITED**  
(limited by guarantee)  
  
**ANNUAL REPORT**  
  
**FOR THE YEAR ENDED 31ST MARCH 2004**



**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**  
(limited by guarantee)

**ANNUAL REPORT**

Contents

	<u>Page</u>
Administrative Information	1
Chairman's Report	2
Directors' Report	9
Report of the Independent Auditors	13
Consolidated Statement of Financial Activities	15
Consolidated Income and Expenditure Account	16
Balance Sheet	17
Notes	18

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**  
(limited by guarantee)

**ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2004**

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 Hampshire S015 2AE
Auditors	Fiander Tovell LLP Chartered Accountants Registered Auditors Stag Gates House 63/64 The Avenue Southampton Hampshire S017 1XS
Bankers	National Westminster Bank plc Woollen Hall Castle Way Southampton Hampshire S014 2DE

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**  
(limited by guarantee)

**CHAIRMAN'S REPORT FOR THE YEAR ENDED 31ST MARCH 2004**

2003/04 was a year of considerable strategic development following the financial difficulties that the Company encountered in 2002/03. When the Nuffield's financial position became clear at the end of 2002/03, the Company took firm and positive action, securing support from its funders and bank, putting together a plan to repay its deficit without compromising its artistic vision, and committing to a long-term review of its activities. This review commenced with a Board awayday led by consultant, Graham Marchant in September 2003, at which a four-strand strategic organisational development plan was agreed to secure the Company's artistic and managerial future. Organic developments already underway in both areas also bore fruit, and by the end of the financial year, the Company was in a very strong position indeed with interesting new developments to its programme and an extraordinary shift in its financial position from an accumulated deficit of £155,000 to one of only £28,000 after consideration of a post-balance sheet 'debt-mitigation' grant for £87,000.

The major four-strand development plan which commenced this year was as follows:

- New vision and strategy

In 2003/04 we re-wrote the Nuffield's vision document to more clearly describe the Company's artistic and educational ethos and sensibilities, and we began the process of developing a new strategic three year plan. This is scheduled for completion in October 2004. .

- Board development

A working group from the Board undertook a review of membership and made recommendations to reduce the membership from 20 members plus ex-officios to 14 members, to introduce a formal system for identifying the skills and qualities required of this membership, and to make the necessary alterations to the Company's Memorandum and Articles. These changes will be implemented in 2004/05.

- Nuffield Building and Front of House facilities

Eight years ago the Nuffield completed a lottery funded refurbishment of the auditorium, which is excellently appointed. The Company recognised that the theatre's front of house areas fall far behind the auditorium, and that a major refurbishment in a style that reflected the Company's new vision was required. The Company had managed to refurbish the Studio Café Bar without funding, however a considerable sum of money would need to be raised in order to undertake the major work required to modernise the foyer. By coincidence, the University had plans to develop access and health and safety in the building, and so during the year the two plans were brought together into one £450,000 plan to be undertaken during 2004-2006. Phase One, paid for by the University, will be undertaken in summer 2004 and, if the Company is successful in raising £198,000 phase two will take place in 2005. The Company has commissioned David Dixon to put together a fundraising strategy and applied for £70,000 towards the £198,000 goal from ACE's Grants for the Arts and since the year end has heard that this application was successful.

- Advocacy

The Nuffield has lacked the resources to expand its promotion of the Company to funders, businesses, audience groups, or arts organisations. Last year we began to focus attention on this matter. Promotion to The British Council and international opportunities were explored, and the Company set up a new relationship with an English commercial tour booker. In 2004 we plan to take on a national press representative to help build profile and Board members will take a more proactive role in promoting the Company locally. The new strategy will address the issue of advocacy in the context of the three year plan.

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**  
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**CHAIRMAN'S REPORT FOR THE YEAR ENDED 31ST MARCH 2004**  
(continued)

The Company continued with its ongoing developments and responded to matters that arose during the years as follows:

- **New Studio programme**

Following the development of a new studio space for small-scale and experimental work last year, the Company launched a very successful programme in autumn 2003 which is described under Artistic Work below..

- **New Associate Director**

Daniel Buckroyd, the Associate Director, who joined the Nuffield in 1996 left the Company in September 2003, having been offered the post of Artistic Director of New Perspectives Theatre Company. Interviews for a new Associate Director took place in May, and we were very pleased to appoint Russ Tunney. Russ, who had been Education and Access Director at the Chester Gateway Theatre took up the post in November and began work on developing a programme for 2004/05 to build on Daniel's work with the Company.

- **Development of the visiting company programme and new vision for 'Sunday nights'**

One of the unexpectedly positive results of the Company's deficit position in 2003/04 was the opportunity to put together a more cohesive programme of visiting company work. This has had some distinct positive results. A fuller programme with more choice has encouraged greater attendance. We have had the opportunity to engage with high quality touring companies that serve our vision but may also complement it with significantly different production styles. Many of the companies we have chosen to present have expressed an interest in greater collaboration or possibly co-productions with the Nuffield in the future. In addition, through presenting visiting companies, we have had the opportunity to try out shorter runs, which we have found to be very successful. We have also created a new vision for Sunday nights. The new programme entitled 'Alternative nights' has two strands, stand-up comedians programmed specifically to attract young people, and political figures which are an extension of our Platform performances.

- **Asian audience development strategy**

Following the grant of £28,280 last year we commenced an audience development strategy this year. The first major Asian mid-scale show, Yeh Hai Mumbai Meri Jaan was very successful raising over £8,000 in box office takings in three performances. This work is a significant expansion of the Company's strategy and has continued to be presented in close collaboration with Art Asia.

- **Nuffield buildings and spaces**

Following the developments last year, the accounts and production office moved from a house on University Road into new space in the Nuffield Theatre during the year. In addition, Studio 2 was created from the 'old bar' as a new space for entertaining, meetings and workshops, and the Company's new space in Freemantle was used to full capacity for building sets and storage, saving the Company a considerable amount on set budgets.

- **Fundraising and sponsorship**

The Company has been investing in private fundraising for revenue purposes for a few years and this is now beginning to pay off. The most significant developments included a contract to supply over £13,000 of business training to Giffords and John Lewis, and a sponsorship deal with IT providers, Medhurst, who provided £50,000's worth of new computer equipment and maintenance in return for sponsorship and business training. We were also delighted to work with Waitrose, who sponsored the Christmas show for a second year running, and Course and Beecham who sponsored Hamlet.

## THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED

(limited by guarantee)

### CHAIRMAN'S REPORT FOR THE YEAR ENDED 31ST MARCH 2004

(continued)

- Catering

Following the refurbishment of The Studio Café Bar, the Company decided to return to running the catering operation as part of the trading company activities. Whilst it was known that the catering was likely to make a loss for the trading company it was felt to be safer to return to a direct operation as the contract holder was unwell. It was also felt important to ensure that this vital part of the Company's customer experience was of a high quality and that it reflected the Company style and vision. We were delighted to re-employ Maureen Gardner, who had previously run the catering operation as her own business, as lunchtime catering manager. Front of House Manager, Rebecca Goodman provided overall leadership for the Café Bar. The impact of in-house ownership and a new style of catering in the Café bar was a great improvement for the Company, providing more flexibility and a significant change in atmosphere for customers. However, as expected, the catering element of the trading company did make a loss of £8,000. The Board has agreed to keep this area of the company's work under review.

- Board members

Very sadly, Zena Walker, a regular Nuffield performer and long-standing Board member died in August 2003. Dave Hill, Peter Grinyer, Cllr Peter Wakeford and Cllr Carol Cunio resigned their Board membership during the year and Cllr Terence Holden Brown and Cllr Dennis Harryman were appointed to the Board by Southampton City Council.

Important external matters that concerned the Nuffield during the year included changes in funding from Southampton City Council, and the impacts of the restructure of the Arts Council England South East. Following the cut of £20,000 from Southampton's grant to the Nuffield in 2002/03, we were delighted that this amount was returned to the core grant this year. We are very grateful to Southampton for this commitment to the Company's work, despite difficulties in managing a limited budget for the City. In addition, we were very grateful indeed to Arts Council England South East (ACE:SE), who awarded the company £87,000 in debt mitigation money at the year end. This money was provided in recognition of the Company success in taking control of its long and short term financial position, whilst maintaining its artistic quality, and to allow the Nuffield to continue with its development programme, which would have been threatened if it had to continue to operate under considerable debt. The Company was pleased to develop a fruitful relationship with its new ACE:SE Theatre Officer, Judith Hibberd during the year and to maintain a close relationship with ACE:SE despite the enlarged new region established after the restructure of the Arts Council of England.

The Board would like to extend their thanks to the Company's key funders, Arts Council England South East, Southampton City Council, the University of Southampton, and Hampshire County Council for their continued support and for the considerable advice and encouragement of their officers. We would also like to thank the Nuffield's staff and in particular the Artistic and Administrative Directors who have worked with great dedication and to considerable effect to achieve significant managerial and artistic success in steering the Company through a period of great change and development.

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**  
(limited by guarantee)

**CHAIRMAN'S REPORT FOR THE YEAR ENDED 31ST MARCH 2004**  
(continued)

**Artistic Work**

The budgetary limitations imposed by the Company's financial position in 2003/04 were met by a lively programme of work of exceptional quality. Whilst the Company had to reduce the number of productions it made for the main stage, it responded by producing two small-scale productions for the new studio space, whilst putting together a strong programme of visiting company work to complement and contrast its own productions. The studio also allowed for a new strand of 'Platform performances' comprising play readings, talks, Rough Cuts (Southampton artists try out nights), youth theatre and a space for the Writers Group. As previously mentioned, we were delighted to welcome Russ Tunney the new Associate Director to the Company's artistic team. In addition, we were also delighted to be chosen to host a second trainee director, this time funded by Channel Four. Robin Belfield commenced with the Company in September and under the guidance of Patrick Sandford, Robin directed two shows for the studio and assisted Patrick with the direction of *Hamlet* and *Robin Hood*.

Work during the year included:

***Nuffield Theatre Company Productions***

**Main House**

***Rattle of a Simple Man.*** Conceived as a commercial co-production *Rattle of a Simple Man* was in fact produced and taken on a short tour by the Nuffield alone after the co-producing partners pulled out of the project. *Rattle of a Simple Man* played to very good houses and was well received on tour at Clywd Theatre Cymru and the Yvonne Arnaud Theatre in Guildford. '*Patrick Sandford's direction is so fresh and invigorating...(Clive) Mantle is superbly cast...(Samantha) Robson produces another amazing performance...it is a play that reaches your soul.*' The Stage

***When We are Rich.*** A new play by Penny Gold who, as well as being a director, playwright, editor and producer for BBC TV, film and radio drama, used to be employed as Script Executive for the Nuffield. *When We are Rich* juxtaposed an Arabic and an English story, exploring the similar and contrasting attitudes. Directed by Patrick Sandford, and designed by Robin Don, *When We are Rich* attracted considerable critical attention and acclaim. '*Patrick Sandford has an enviable record in presenting new plays. Here he has come up with a timely, intriguing piece by Penny Gold contrasting Arabic and Anglo-Saxon attitudes...wittily designed by Robin Don.*' The Guardian (Three stars)

***Hamlet.*** This highly acclaimed production of *Hamlet* received excellent critical acclaim, was recommended for potential international touring by the British Council and has just received a nomination for John Woodvine as Best Supporting Actor at the TMA 2004 Awards (decision yet to be announced). '*If you are only going to see one thing this week...Theatre: Hamlet. This Hamlet has three trump cards. The first is a wonderful, simple design from Robin Don that brings a touch of Escher's visual mind games to this contemporary Elsinore. It also has two superb performances, from John Woodvine as Polonius and Stephen Noonan, whose Hamlet is the real thing: intense, intelligent, sardonic and reflective.*' The Guardian Pick of the Week.

***Robin Hood*** delighted family audiences with a true Nuffield Christmas romp. '*Despite being one of the earliest festive offerings of the season its combination of comedy, romance and sheer seasonal silliness is guaranteed to bring on that fabled feel good mood quicker than the mulled wine served up at the interval. Directed and freely adapted from a variety of sources by Nuffield artistic director Patrick Sandford – equally at home with family-friendly fun as the serious drama he is renowned for – this Robin Hood was a gloriously camp, and occasionally heroically moving, take on the classic English legend.*' The Daily Echo.

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**  
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**CHAIRMAN'S REPORT FOR THE YEAR ENDED 31ST MARCH 2004**  
(continued)

**Studio**

***Duck Variations.*** The first Nuffield production made for the new studio space, *Duck Variations* also marked Trainee Director, Robin Belfield's directorial debut at The Nuffield. David Mamet's famous play played to sell-out houses and transferred to a studio performance space at The Railway Inn in Winchester for three performances. '*...the perfect production for the Nuffield's intimate new theatre space...beautifully written and performed, this is a perceptive and very funny play that just goes to show you don't need to break the bank to make good theatre*'. The Daily Echo

***Kiss of the Spiderwoman.*** Manuel Puig's masterpiece has been celebrated the world over as an oscar winning film, a popular musical and most successfully as a tender and intense stage play. Directed by Robin Belfield, *Kiss of the Spiderwoman* received an excellent response from audiences and critics alike. '*This is engaging and compelling theatre. Not a special effect in sight, but the craft of the actor is in full view. ..There are some great twists in this play, and it's a great space to experience this performance. Go and see it.*' BBCi

**Children's/Young People's shows**

***Not Now Bernard and Abominations – Revival.*** These two very popular productions were revived for a short local tour and to be performed at the Edinburgh Festival where they received excellent reviews and attracted considerable attention for the Company from promoters and venue managers. '*it's probably the best kids' show to have appeared at the Fringe in the last four years.*' Edinburgh Evening News on *Not Now Bernard*. '*a moving and dramatic performance that is hard-edged and eerie but balanced by friendship and hope. I was gripped right through to the end*' Three Weeks (Edinburgh) on *Abomination*.

***Mr Benn.*** The first ever stage adaptation of the cult character from the 1970's books and television cartoon series also marked the last production directed by out-going Associate Director, Daniel Buckroyd. This hit show played at the Nuffield and toured to theatres and schools nationwide. '*True to the spirit of the original without being suffocated by it, Mr Benn's stage debut couldn't have been done better*'. The Daily Echo.

***Twelfth Night.*** A company of three actors toured to schools in the region with a small scale version of *Twelfth Night* providing performances and workshops to complement the teachers' work on this syllabus text.

***Toured-in Theatre***

The Company presented a significant programme of shows from visiting companies focusing on mid- and small-scale companies whose work complements that of the Nuffield, international work, South Asian arts, Alternative nights and a programme of Children's theatre, as follows:

- Mid-scale companies included: Oxford Stage Company with *Sergeant Musgrave's Dance*, New Perspectives with *Last Train to Nibroc* (directed by Patrick Sandford), and Urban Expansions with *Once Upon a Time in Wigan*
- International companies included a returns visit by the US company The Riot Group with their award-winning show, *Pugilist Specialist*, and Theatre Des 2 Rives with a one woman show for the studio entitled *Cousu de Fil Noir*.
- South Asian work that we presented included two one night shows: *Shivkumar Sharma and Zakir Hussain*, and *Bollywood Nites*; and a Bollywood musical entitled *Yeh Hai Mumbai Meri Jaan*. All events were attended by near capacity audiences.
- Alternative nights was a new programme to replace the previous Sunday concerts. The 9 performances took over £33,000.
- The regular Saturday children's theatre programme continued to be highly popular with family audiences.



**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**  
(limited by guarantee)

**CHAIRMAN'S REPORT FOR THE YEAR ENDED 31ST MARCH 2004**  
(continued)

*Platforms, Projects and Participation*

*Platform performances.* This new strand of the Nuffield programme was devised for the studio, and included *Asylum Speakers* (a local debate), two *Rough Cuts* nights, youth theatre activities and a platform for the Writers Group.

*Hampshire Youth Theatre.* This year we expanded Hampshire Youth Theatre to incorporate a young team of 12-15 year olds as well as the established 16-25 year old group. The junior team produced *Lord of the Flies* whilst the seniors did *Sweeney Todd* – both under the banner of 'Bloody Theatre'.

*Young peoples workshop courses.* We expanded the Saturday morning workshops to include a 7-9 year old group as well as 10-12 year olds. This popular 'term' of workshops quickly sold-out.

*Adult Workshops.* Theatre skills workshops for adults continued to be popular

*Responding to requests from schools.* Outreach work in schools including workshops, talks, and INSET accompanied the small-scale touring shows. In addition the Nuffield hosted Hampshire County Council's primary schools conference.

*The Writers Group.* The second year of two-year course run by the Script Executive, John Burgess, was very successful. Work undertaken included the development of 10 minute plays that were then directed by the Nuffield's artistic team and shown to a capacity audience in the studio.

*Activities around main house shows.* The Company continued to run this range of successful participatory activities including *Meet the Cast* sessions, *Play Days*, and *Party Nights* as well as community choruses for *Hamlet* and *Robin Hood*.

*Work Experience weeks.* These week-long educational projects for 14-18 year olds continued this year. Both projects responded to main stage shows: the autumn project to *Hamlet*, and the spring project to *Last Train to Nibroc*.

*Home for local amateur/community companies*

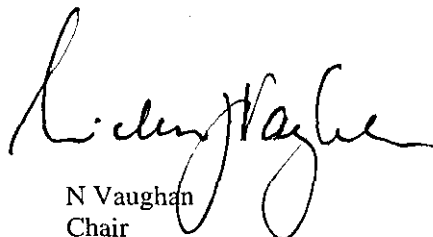
The Nuffield continued its long-standing relationship with local amateur and community groups, hosting and supporting 7 weeks of work from local companies.

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**  
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**CHAIRMAN'S REPORT FOR THE YEAR ENDED 31ST MARCH 2004**  
(continued)

**Performance indicators**

Activity	No of productions	No of shows	Attendance	Average attendance per show
<b>Nuffield Theatre Company productions</b>				
Main House	4	143	30,497	213
<i>On Tour</i>	1	12	4,619	384
Studio	2	10	674	67
<i>On Tour</i>	1	3	<i>Unknown</i>	<i>Unknown</i>
Children's/Young Peoples	3	25	3,978	159
<i>On Tour</i>	4	233	43,154	185
<b>Visiting Companies</b>				
Main House	7	27	6,467	239
Studio	1	3	262	87
Alternative Nights	9	9	2,696	300
Children's	20	40	3,632	91
<b>Other</b>				
Platforms	5	5	418	84
Youth Theatre	3	8	1,615	202
<b>Total</b>	<b>60</b>	<b>518</b>	<b>98,012</b>	<b>-</b>

  
N Vaughan  
Chair

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**  
(limited by guarantee)

**DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2004**

The board members have pleasure in presenting their annual report and the financial statements for the year ended 31st March 2004. The administrative and legal information on page 1 forms part of this report. The financial statements comply with current statutory requirements and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2000).

**Trust Status**

The Trust is a company limited by guarantee and is a registered charity. It is governed by its Memorandum and Articles of Association, which date from 1982.

**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.

**Organisational Structure**

A Board of up to 20 board members administers the charity. The Board meets at least four times each year.

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 operates through two sub-committees, the Marketing, Fundraising & Customer Care committee and the Finance, Funding, Strategy & Personnel committee. The sub-committees meet quarterly and report to the full Board.

An artistic director and administrative director are appointed by the Board to manage the day to day activities of the charity.

The charity has a wholly owned subsidiary company, operated for the purposes of bar and catering trading, Southampton Nuffield Theatre Trading Company Limited.

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**  
(limited by guarantee)

**DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2004**  
(continued)

**Board Members**

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

*Appointed Members*

Cllr S Allbright  
Cllr C Cunio (resigned 15 August 2003)  
Cllr C R H Davidovitz  
Ms J Doyle  
Cllr D Harryman (appointed 23 October 2003)  
Cllr T Holden-Brown (appointed 12 June 2003)  
Dr S Keenan  
Cllr P Wakeford (resigned 12 June 2003)

*Elected Members*

Rear Admiral R G Baylis  
Mr S Boyce  
Mr A Black  
Mr C Gordon  
Mr P Grinyer (resigned 23 October 2003)  
Mr D Hill (resigned 22 January 2004)  
Mr K Hooper  
Ms A Pye  
Mrs J Rattle  
Ms P Robertson  
Mrs T A Short  
Mr N Vaughan (Chairman)  
Ms Z Walker (deceased 24 August 2003)

*Ex Officio*

Mr A Morgan (Amateur Users Group)  
Mrs J Palmer (Friends of Nuffield Theatre)

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**  
(limited by guarantee)

**DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2004**  
(continued)

**Review of Activities and Future Developments**

Please see the Chairman's report for a full review of the Company's activities in 2003/04 and an overview of future managerial developments. A summary of future developments follows:

- A new strategic three year plan with a particular focus on developing the company's capacity to exploit its artistic activities and on its marketing and audience development plans.
- Changes to the Board membership and introduction of a formal review of Board skills
- Refurbishment of the Front of House facilities and the launch of a major campaign to fund this work
- Action to sustain the Company's high national profile and seek opportunities to build further artistic collaborations.
- Completion of the Asian audience development strategy
- Development of the catering activities

**Reserves Policy**

**Unrestricted**

The board members believe that the charity should hold financial reserves because:

1. it is dependent for income upon grant funding from year to year, which is inevitably subject to fluctuation, and
2. it requires protection against and the ability to continue operating despite loss making shows.

The board members believe that the minimum level of the reserves should be the equivalent of six months net operating costs calculated and reviewed annually and believe that the reserves should be built up to the desired level in stages consistent with the charity's overall financial position and its need to maintain and develop its charitable activities.

The accumulated deficit on undesignated unrestricted funds at 31<sup>st</sup> March 2004 amounts to £115,000 (2003: £155,000). The Board is working to clear the deficit as soon as possible.

As detailed in Note 22, a specific grant of £87,000 for deficit reduction was received after the balance sheet date.

**Restricted**

Restricted reserves will be held as required.

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**  
(limited by guarantee)

**DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2004**  
(continued)

**Risk Management**

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

**Statement of Board Members' Responsibilities in relation to the Financial Statements**

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.


**Auditors**

A resolution will be proposed at the Annual General Meeting that Fiander Tovell LLP be re-appointed as auditors to the charity for the ensuing year.

This report was approved by the Board and signed on its behalf by:



K Anderson  
Company Secretary



Date

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**  
(limited by guarantee)

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

We have audited the financial statements of The Southampton Nuffield Theatre Trust Limited for the year ended 31<sup>st</sup> March 2004 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charity's trustees as a body, in accordance with the Companies Act 1985. 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 auditor's 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

As described in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

We have been appointed as auditors under Section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards. We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

We read other information contained in the Trustees' Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of Opinion**

We conducted our audit in accordance with United Kingdom 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 in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 an opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**  
(limited by guarantee)

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

**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 charitable company's and group's state of affairs as at 31st March 2004 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.

*Fiander Tovell LLP*

Stag Gates House  
63/64 The Avenue  
SOUTHAMPTON

FIANDER TOVELL LLP  
CHARTERED ACCOUNTANTS  
REGISTERED AUDITORS

Date *30/04/04*



**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED (limited by guarantee)**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31ST MARCH 2004**

		Restricted Funds	Unrestricted Funds	Total Funds 2004	Total Funds 2003
	Notes		Designated Undesignated		
		£	£	£	£
<b>Incoming resources</b>					
Operating activities:					
Production income	2	-	- 595,625	595,625	518,943
Commercial trading	3	-	- 112,305	112,305	95,349
Grants	4	71,780	- 904,396	976,176	907,169
Donations and sponsorship	5	-	- 25,785	25,785	23,866
Other income		-	- 1,245	1,245	5,340
<b>Total incoming resources</b>		<b>71,780</b>	<b>- 1,639,356</b>	<b>1,711,136</b>	<b>1,550,667</b>
<b>Less: cost of generating funds</b>					
Commercial trading	6	-	- 98,011	98,011	72,866
Fundraising expenses	6	-	- 19,232	19,232	26,919
<b>Net incoming resources available for charitable application</b>		<b>71,780</b>	<b>- 1,522,113</b>	<b>1,593,893</b>	<b>1,450,882</b>
<b>Charitable expenditure</b>					
Production and related support costs	6	32,852	- 1,174,346	1,207,198	1,286,059
Premises costs	6	10,000	- 180,018	190,018	160,121
Management and administration	6	-	- 211,073	211,073	238,892
<b>Total charitable expenditure</b>		<b>42,852</b>	<b>- 1,565,437</b>	<b>1,608,289</b>	<b>1,685,072</b>
<b>Total resources expended</b>	6	<b>42,852</b>	<b>- 1,682,680</b>	<b>1,725,532</b>	<b>1,784,857</b>
Net incoming/(outgoing) resources before transfers		28,928	- (43,324)	(14,396)	(234,190)
Transfers between funds	17-19	(93,824)	10,500 83,324	-	-
<b>Net movement in funds for the year</b>		<b>(64,896)</b>	<b>10,500 40,000</b>	<b>(14,396)</b>	<b>(234,190)</b>
Total funds brought forward		975,907	- (154,928)	820,979	1,055,169
<b>Total funds carried forward</b>	17-19	<b>911,011</b>	<b>10,500 (114,928)</b>	<b>806,583</b>	<b>820,979</b>

As described in Note 18 to the Accounts, a Designated Fund has been set up during the year.

It is considered important to users of the Accounts to be able to distinguish clearly the balance on this Fund from general Undesignated Funds. Additional disclosure, as permitted SORP 2000, has therefore been given.

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**  
**(limited by guarantee)**  
**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31ST MARCH 2004**

	<u>Notes</u>	2004 £	2003 £
OPERATING INCOME		709,174	619,452
GRANTS AND DONATIONS RECEIVABLE		<u>1,001,961</u>	<u>931,035</u>
<u>TOTAL INCOME</u>		1,711,135	1,550,487
OPERATING EXPENSES		<u>1,724,198</u>	<u>1,784,629</u>
<u>NET OPERATING (DEFICIT)</u>	8	(13,063)	(234,142)
Other Interest Receivable and Similar Income	9	1	180
Interest Payable and Similar Charges	10	<u>(1,334)</u>	<u>(228)</u>
<u>RETAINED (DEFICIT) FOR THE FINANCIAL YEAR</u>		<u>(14,396)</u>	<u>(234,190)</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**

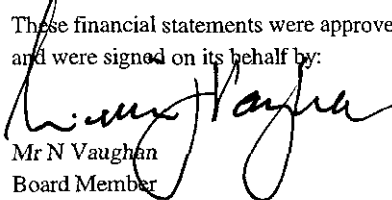
(limited by guarantee)


**BALANCE SHEET AS AT 31ST MARCH 2004**

		2004		2003	
	<u>Notes</u>	<u>Group</u> £	<u>Company</u> £	<u>Group</u> £	<u>Company</u> £
<u>FIXED ASSETS</u>					
Tangible Assets	11	999,509	999,509	1,064,096	1,064,096
Investments	12	-	2	-	2
		<u>999,509</u>	<u>999,511</u>	<u>1,064,096</u>	<u>1,064,098</u>
<u>CURRENT ASSETS</u>					
Stocks	13	4,276	-	13,498	9,617
Debtors	14	157,886	164,166	169,911	184,071
Cash at Bank and in Hand		5,045	5,045	20,748	10,467
		<u>167,207</u>	<u>169,211</u>	<u>204,157</u>	<u>204,155</u>
<u>CREDITORS:</u> amounts falling due within one year	15	<u>(360,133)</u>	<u>(362,139)</u>	<u>(447,274)</u>	<u>(447,274)</u>
<u>NET CURRENT (LIABILITIES)</u>		<u>(192,926)</u>	<u>(192,928)</u>	<u>(243,117)</u>	<u>(243,119)</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>					
		806,583	806,583	820,979	820,979
<u>CREDITORS:</u> amounts falling due after more than one year	16	-	-	-	-
<u>NET ASSETS</u>		<u>806,583</u>	<u>806,583</u>	<u>820,979</u>	<u>820,979</u>
<u>RESERVES</u>					
Unrestricted Funds - undesignated	18	(114,928)	(114,928)	(154,928)	(154,928)
- designated	18	10,500	10,500	-	-
- total	18	<u>(104,428)</u>	<u>(104,428)</u>	<u>(154,928)</u>	<u>(154,928)</u>
Restricted Funds - total	17	911,011	911,011	975,907	975,907
	19	<u>806,583</u>	<u>806,583</u>	<u>820,979</u>	<u>820,979</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities, and the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the Board on: 30.9.04  
and were signed on its behalf by:

  
Mr N Vaughan  
Board Member

  
Mrs P Robertson  
Board Member

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**

(limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST MARCH 2004**

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.

**1. 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 the Financial Reporting Standard for Smaller Entities (effective June 2002), the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2000) published in October 2000, 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.

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**

(limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST MARCH 2004 (continued)**

**1. Principal Accounting Policies (continued)**

*Fund Accounting*

Funds held by the charity are either:

*Unrestricted general funds* - these are funds which can be used in accordance with the objects at the discretion of the trustees.

*Designated funds* - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

*Restricted funds* - these are funds that 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.

*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 2004 (continued)**

**1. Principal Accounting Policies (continued)**

*Premises costs*

Premises costs exclude the value of the use of the main theatre building 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.

*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 9 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 which is underwritten by University of Southampton. Pension contributions are charged in the period in which they fall due (see also note 7).

*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 2004 (continued)**

**2. PRODUCTION INCOME**

	Restricted	Unrestricted	Total	Total
			2004	2003
	£	£	£	£
Tickets (including education sales)	-	510,550	510,550	459,847
Programme Sales	-	6,791	6,791	10,705
Theatre Hires	-	46,340	46,340	31,973
Other Project Income	-	31,944	31,944	16,418
	-	595,625	595,625	518,943
	=====	=====	=====	=====

**3. SUBSIDIARY UNDERTAKING**

The charity has a wholly owned trading subsidiary (see note 12) 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>	2004	2003
	£	£
Turnover	112,305	95,349
Cost of Sales	(50,976)	(42,605)
Gross Profit	61,329	52,744
Net Operating Expenses	(47,035)	(30,261)
Profit on Ordinary Activities	14,294	22,483
Gift Aid	(14,294)	(22,483)
Retained Profits	-	-
	=====	=====

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**  
**(limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2004 (continued)**

**4. GRANTS RECEIVABLE**

	Restricted	Unrestricted	Total 2004	Total 2003
	£	£	£	£
<u>Revenue Grants</u>				
<u>Unrestricted / Core Grants</u>				
Arts Council England – Core Grant	-	518,900	518,900	443,900
Southampton City Council	-	220,580	220,580	220,580
University of Southampton	-	131,450	131,450	128,250
Hampshire County Council – Core Grant	-	33,466	33,466	32,650
<u>Restricted Grants</u>				
Audience Development	28,280	-	28,280	-
Hampshire County Council – Youth Theatre	14,500	-	14,500	16,100
– Property Grant	10,000	-	10,000	10,000
Portsmouth City Council	5,000	-	5,000	14,500
Arts Council – Touring	-	-	-	39,489
Other	-	-	-	1,700
<u>Capital Grants</u>				
Arts & Business Computer Grant	14,000	-	14,000	-
Total	71,780	904,396	976,176	907,169

The Arts & Business Computer Grant was provided to enable the purchase of the new Computer System. The terms of the grant do not result in the use of the assets being restricted. Therefore, as described in more detail in Note 18, a Designated Fund has been created in respect of this Grant.

**5. DONATIONS AND SPONSORSHIP**

	Restricted	Unrestricted	Total 2004	Total 2003
	£	£	£	£
Sponsorship	-	16,500	16,500	14,388
Friends of Nuffield Theatre	-	2,547	2,547	2,722
Business Training	-	4,700	4,700	2,000
Sundry Donations	-	2,038	2,038	2,453
Spotlight Club	-	-	-	2,100
Theatre Club (closed)	-	-	-	203
Total	-	25,785	25,785	23,866



**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**  
(limited by guarantee)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2004 (continued)**

**6. TOTAL RESOURCES EXPENDED**

	<u>Staff</u>	<u>Dep'n</u>	<u>Other</u>	<u>Total</u>	<u>Total</u>
	£	£	£	2004	2003
				£	£
Commercial Trading	31,666	-	66,345	98,011	72,866
Fundraising	15,343	-	3,889	19,232	26,919
	<u>47,009</u>	<u>-</u>	<u>70,234</u>	<u>117,243</u>	<u>99,785</u>
Production & Related Support Costs	644,303	13,560	549,335	1,207,198	1,286,059
Premises Costs	-	89,427	100,591	190,018	160,121
Management & Administration of the Charity	93,704	13,638	103,731	211,073	238,892
	<u>738,007</u>	<u>116,625</u>	<u>753,657</u>	<u>1,608,289</u>	<u>1,685,072</u>
Total Resources Expended	<u>785,016</u>	<u>116,625</u>	<u>823,891</u>	<u>1,725,532</u>	<u>1,784,857</u>

Premises costs exclude the value of the use of the main theatre building which is 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.

**7. 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:

	2004	2003
	Number of Employees	
Production	32	32
Administration	19	20
	<u>51</u>	<u>52</u>

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**

(limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST MARCH 2004 (continued)**

**7. STAFF NUMBERS AND COSTS (continued)**

The aggregate payroll costs were as follows:

	2004	2003
	£	£
Wages and Salaries	720,341	774,500
Social Security Costs	61,462	58,382
Other Pension Costs	3,213	3,294
	<u>785,016</u>	<u>836,176</u>

No employee earned more than £50,000 per annum (2003 - nil). No remuneration was paid to any trustee. No trustees received travelling expenses during this year.

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 2001, and revealed that the scheme's liabilities were more than covered by its assets. Under the terms of the scheme the University is the sponsoring employer and therefore would be liable should any injection of funds be required. Similarly it is the University who benefit whenever there is a contributions holiday.

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

	2004	2003
	£	£
The deficit on ordinary activities is stated after charging / (crediting):		
Depreciation	116,625	106,758
Profit on disposal of tangible fixed assets	(359)	-
Auditors' Remuneration - Audit Services (including subsidiary)	6,000	5,600
- Other Services	240	3,152
	<u>122,506</u>	<u>115,510</u>

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**

(limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST MARCH 2004 (continued)**

**9. INTEREST RECEIVABLE**

	2004 £	2003 £
On Bank Deposit Accounts	1	180
	=====	=====

**10. INTEREST PAYABLE AND SIMILAR CHARGES**

	2004 £	2003 £
Bank Overdraft Interest	1,334	228
Hire Purchase Interest	-	-
	1,334	228
	=====	=====

**11. TANGIBLE FIXED ASSETS**

<u>Group and Company</u>	Theatre Equipment	Office and Catering Equipment	Leasehold Improve- ments	Motor Vehicles	Total
<u>Cost</u>	£	£	£	£	£
At beginning of year	135,662	131,515	1,626,309	37,850	1,931,336
Additions	3,487	42,382	6,169	-	52,038
Disposals	-	(11,916)	-	-	(11,916)
At end of year	139,149	161,981	1,632,478	37,850	1,971,458
<u>Depreciation</u>					
At beginning of year	113,746	128,230	599,226	26,038	867,240
Charge for year	6,473	13,638	89,427	7,087	116,625
Eliminated on disposals	-	(11,916)	-	-	(11,916)
At end of year	120,219	129,952	688,653	33,125	971,949
<u>Net Book Value</u>					
At 31 <sup>st</sup> March 2004	18,930	32,029	943,825	4,725	999,509
At 31st March 2003	21,916	3,285	1,027,083	11,812	1,064,096
	=====	=====	=====	=====	=====

As set out in notes 17 and 18, the holding of certain Tangible Fixed Assets is linked to specific funds of the charity. During the year the following amounts have been transferred into general funds in respect of the depreciation of these assets:

Restricted fund - refurbishment	-	-	79,824	-	79,824
Designated fund	-	3,500	-	-	3,500
	-	3,500	79,824	-	83,324
	=====	=====	=====	=====	=====

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**  
(limited by guarantee)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2004 (continued)**

**12. INVESTMENTS**

	2004 £	2003 £
<u>Company</u>		
Shares in Group Undertaking	2	2
	=====	=====

<u>Name</u>	<u>Class of Shares</u>	<u>Group Interest</u>	<u>Registered</u>
Southampton Nuffield Theatre Trading Company Ltd	Ordinary £1	100%	England and Wales
	=====	=====	=====

The principal activity of the Southampton Nuffield Theatre Trading Company Ltd is the provision of bar and catering services at the Nuffield Theatre, Southampton.

**13. STOCKS**

	<u>2004 Group £</u>	<u>2004 Company £</u>	<u>2003 Group £</u>	<u>2003 Company £</u>
Consumables and Production	4,276	-	13,498	9,617
	=====	=====	=====	=====

**14. DEBTORS**

	<u>2004 Group £</u>	<u>2004 Company £</u>	<u>2003 Group £</u>	<u>2003 Company £</u>
Trade Debtors	21,058	21,058	36,556	36,556
Amounts Owed by Subsidiary Undertaking	-	6,280	-	14,160
Other Debtors	56,162	56,162	18,373	18,373
Prepayments	80,666	80,666	114,982	114,982
	157,886	164,166	169,911	184,071
	=====	=====	=====	=====

Included above is £10,320 (2003: £ nil) of prepaid Computer Support in respect of accounting periods commencing more than 12 months from the balance sheet date.

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

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**

(limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST MARCH 2004 (continued)**

15. CREDITORS: amounts falling due within one year

	<u>2004</u>	<u>2004</u>	<u>2003</u>	<u>2003</u>
	Group	Company	Group	Company
	£	£	£	£
Bank Overdraft	48,673	50,679	-	-
Trade Creditors	91,535	91,535	146,573	146,573
Taxation and Social Security	17,945	17,945	9,705	9,705
Other Creditors	32,315	32,315	40,282	40,282
Accruals	73,679	73,679	122,796	122,796
Deferred Income	95,986	95,986	127,918	127,918
	<u>360,133</u>	<u>362,139</u>	<u>447,274</u>	<u>447,274</u>

Deferred income comprises:

	<u>2004</u>	<u>2003</u>
	£	£
Advance ticket sales	43,786	36,646
Grants for future productions or periods	25,450	72,080
Other	26,750	19,192
	<u>95,986</u>	<u>127,918</u>

All the brought forward deferred income was released during the year.

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

<u>Group and Company</u>	<u>2004</u>	<u>2003</u>
	£	£
Loans	-	-

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**  
(limited by guarantee)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2004 (continued)**

**17. RESTRICTED FUNDS**

	<u>Notes</u>	<u>Balance</u> <u>b/f</u> £	<u>Income</u> £	<u>Expenditure</u> £	<u>Transfers</u> £	<u>Balance</u> <u>c/f</u> £
Refurbishment Fund	(i)	968,032	-	-	(79,824)	888,208
Productions	(ii)	7,875	-	(3,125)	-	4,750
Audience Development	(iii)	-	28,280	(10,227)	-	18,053
Youth Theatre	(iv)	-	14,500	(14,500)	-	-
Property Grant	(v)	-	10,000	(10,000)	-	-
Education	(vi)	-	5,000	(5,000)	-	-
Computer	(vii)	-	14,000	-	(14,000)	-
		<u>975,907</u>	<u>71,780</u>	<u>(42,852)</u>	<u>(93,824)</u>	<u>911,011</u>

(i) The Refurbishment fund represents the external funding received specifically towards the theatre's capital 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 Production Fund was created by the donations from the Nuffield Theatre Club, following its closure, and is for production sponsorship over a five year period.

(iii) The Audience Development Fund is a specific grant from Arts Council England to fund work in developing the audience from the South Asian community.

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

(v) The Property Grant is a specific grant from Hampshire County Council towards the theatre's running costs in connection with a property used to build and store theatrical sets.

(vi) The Education Fund represents money received from Portsmouth City Council towards the theatre's educational work.

(vii) The Computer Fund is a specific grant from Arts & Business towards the acquisition of a new Computer System. As described in Note 4, the restriction ended with the purchase of the System and a designated fund has been set up to match the useful economic life of the assets acquired.

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**

(limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST MARCH 2004 (continued)**

**18. UNRESTRICTED FUNDS**

	<u>Designated</u>	<u>General</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Balance brought forward at 1 April 2003	-	(154,928)	(154,928)
<u>Movements in Designated Fund:</u>			
Grant receivable - transfer from restricted funds	14,000	-	14,000
Designated depreciation transfer	(3,500)	-	(3,500)
<u>Movements in General Funds:</u>			
Restricted depreciation transfer	-	79,824	79,824
Designated depreciation transfer	-	3,500	3,500
Surplus for the year	-	(43,324)	(43,324)
Balance carried forward at 31 March 2004	<u>10,500</u>	<u>(114,928)</u>	<u>(104,428)</u>

The Designated fund was created during the year. A grant of £14,000 was received from Arts & Business as part of a sponsorship deal in which the Theatre acquired a new computer system in return for a combination of cash paid during the year and promotional benefits for a 3-year period.

It is considered that the commercial substance of the grant meets the conditions set out in para 80 of SORP 2000 and hence a designated fund has been created which will be reduced over the economic life of the computer system in line with its depreciation.

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<u>Fixed</u>	<u>Net Current</u>	
	<u>Assets</u>	<u>Assets/</u>	<u>Total</u>
	<u>£</u>	<u>(Liabilities)</u>	<u>£</u>
<u>Restricted Funds</u>			
Refurbishment Fund	888,208	-	888,208
Audience Development	-	18,053	18,053
Productions	-	4,750	4,750
	<u>888,208</u>	<u>22,803</u>	<u>911,011</u>
<u>Unrestricted Funds</u>			
Designated Fund	10,500	-	10,500
General Funds	100,801	(215,729)	(114,928)
	<u>111,301</u>	<u>(215,729)</u>	<u>(104,428)</u>
	<u>999,509</u>	<u>(192,926)</u>	<u>806,583</u>

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST LIMITED**

(limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST MARCH 2004 (continued)**

**20. 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.

Under the terms of a lease that expires in September 2011 there is a commitment to pay rent for another building occupied by the group. The annual rent, which is currently £18,000, is determined by 3-yearly rent reviews the most recent of which was carried out on 24th June 2002.

**21. RELATED PARTY TRANSACTIONS**

a) During the year the charity incurred legal fees of £ nil (2003: £1,219) with its solicitors, Paris, Smith and Randall, of which N Vaughan, a board member of the charity, is a partner.

b) At the balance sheet date a loan balance of £ nil (2003: £23) was due from P Sandford, the artistic director, and £1,559 (2003: £300) from K Anderson, the administrative director. The maximum amounts outstanding during the year were £23 and £1,759 respectively. These loans are interest free and repayable on demand.

**22. POST BALANCE SHEET EVENTS**

On 23rd April 2004 the charity received a one-off grant of £87,000 from Arts Council England to assist with the charity's efforts to reduce the retained deficit in general funds.

The formal offer of this grant was made after the balance sheet date and therefore the incoming funds will be recognised in next year's financial statements.