

Registered Number: 03536370

Registered Charity Number: 1069912

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED
(Company Limited by Guarantee)

Financial Statements

for the year ended 31 March 2003



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THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

Company Information

Registered Number: 03536370

Registered Charity Number: 1069912

Chairman

Nigel W Brown

Registered Office

6 St Edward's Passage
Cambridge
CB2 3PJ

Secretary

Kevin S Harris

Auditors

Peters Elworthy & Moore
Salisbury House
Station Road
Cambridge
CB1 2LA

Bankers

Barclays Bank Plc
Bene't Street
Cambridge
CB2 3PZ

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

Directors' Report

The directors submit their report together with the audited financial statements for the year ended 31 March 2003.

Status and Principal Activities

The company is limited by guarantee and is also a registered charity.

The principal activities of the charitable company continue to be the fulfilment of the objectives laid down by the founder of the Arts Theatre, Maynard Keynes, which can be summarised as the provision of entertainment for the University and City of Cambridge.

Business Review

The company has had another challenging trading year resulting in losses at the year end. However, its overall performance has improved since 2002.

The Directors have continued to work with the Executive Director to seek additional funding to secure the future viability of the Theatre. In June 2003 additional funding of £250,000 was received from the Arts Council and the Theatre has been accepted on the Recovery Programme. This support will continue for the foreseeable future.

Directors

The Directors during the year were:

N W Brown
I Ross (appointed July 2002)
D S Fordham
R N Jarman

Directors' Statement

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit for that year. In preparing those financial statements the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and to enable them to ensure the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

Directors' Report (continued)

Funds

Details of all movements of funds are given in the Statement of Financial Activities and notes 18 and 19 to the financial statements.

Reserves Policy

It is intended that the company will hold sufficient reserves to finance three months operating costs. At present, the company does not have reserves and further funding is being sought to rectify this position.

Risk Assessment

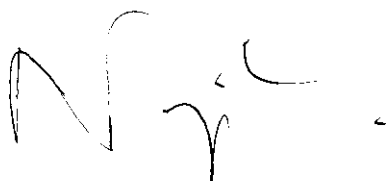
We confirm that the major risks to which the charity is exposed, as identified by the board, have been reviewed and systems have been established to mitigate those risks.

Fixed Assets

Changes in fixed assets during the year are shown in note 14 to the financial statements.

Auditors

Peters Elworthy & Moore have expressed their willingness to continue in office and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.



N W Brown
Chairman

Date: 25 November 2003

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

Independent Auditors' Report to the Members of The Cambridge Arts Theatre Trust Limited on the Financial Statements for the year ended 31 March 2003

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 6.

Respective Responsibilities of Directors' and Auditors

The directors responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities. 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 Companies Act 1985. We also report to you if, in our opinion, the Directors' 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, or if information specified by law regarding Directors' remuneration and transactions with the company is not disclosed.

We are not required to consider whether the statement in the Directors' report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the Directors' 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 within it. 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 by the Directors' in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

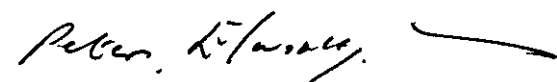
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2 to the financial statements, concerning the continuation of support of the Arts Council. In view of the significance to the Company of the extent and continuation of this support we consider that it should be drawn to your attention but 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 the charitable company's affairs as at 31 March 2003 and of its incoming resources and application of resources, including its income and expenditure, in the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PETERS ELWORTHY & MOORE
Chartered Accountants and
Registered Auditors

CAMBRIDGE

Date: 26 November 2003

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

Statement of Financial Activities (incorporating income and expenditure account)

for the Year Ended 31 March 2003

| | Notes | 2003 Unrestricted Funds £ | 2003 Restricted Funds £ | 2003 Total Funds £ | 2002 Total Funds £ |
|--|-------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Incoming Resources | | | | | |
| Activities in furtherance of the Charity's objects | 3 | 1,621,208 | - | 1,621,208 | 1,536,362 |
| Donations and gifts | | 163,351 | - | 163,351 | 5,616 |
| Other external grants | 4 | 234,675 | - | 234,675 | 200,100 |
| Activities for generating funds | 5 | 443,103 | - | 443,103 | 409,374 |
| Interest Receivable | 6 | 23 | - | 23 | - |
| Total Incoming Resources | | 2,462,360 | - | 2,462,360 | 2,151,452 |
| Resources Expended | | | | | |
| Costs of Generating Funds | 7 | 131,384 | - | 131,384 | 134,617 |
| Costs in furtherance of the Charity's objects | 8 | 1,263,035 | - | 1,263,035 | 1,137,389 |
| Support costs | 9 | 892,407 | 19 | 892,426 | 957,245 |
| Management and administration | 10 | 242,417 | - | 242,417 | 256,125 |
| | | 2,529,243 | 19 | 2,529,262 | 2,485,376 |
| Exceptional items: | | | | | |
| Amounts provided against other investments | | - | - | - | 2,500 |
| Total Resources Expended | 11 | 2,529,243 | 19 | 2,529,262 | 2,487,876 |
| Net (Outgoing) Resources for the Year | 12 | (66,883) | (19) | (66,902) | (336,424) |
| Net Movements in Funds | | (66,883) | (19) | (66,902) | (336,424) |
| Fund balances brought forward at beginning of year | 17/18 | (139,601) | 1,664 | (137,937) | 198,487 |
| Fund balances carried forward at end of year | | (206,484) | 1,645 | (204,839) | (137,937) |

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

Balance Sheet

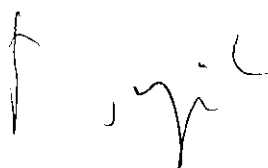
as at 31 March 2003

| GENERAL FUND | Notes | 2003 £ | 2003 £ | 2002 £ | 2002 £ |
|---|-------|----------------|------------------|----------------|------------------|
| Fixed Assets | | | | | |
| Tangible fixed assets | 14 | | 411,244 | | 425,493 |
| Investments | 15 | | <u>1</u> | | <u>1</u> |
| | | | 411,245 | | 425,494 |
| Current Assets | | | | | |
| Stocks | | 13,549 | | 8,142 | |
| Trade debtors | | 32,754 | | 14,019 | |
| Other debtors | | 9,621 | | 31 | |
| Prepayments | | 27,131 | | 61,659 | |
| Cash at bank | | <u>2,580</u> | | <u>5,150</u> | |
| | | <u>85,635</u> | | <u>89,001</u> | |
| Current Liabilities | | | | | |
| Bank overdraft | 16 | 177,236 | | - | |
| Trade creditors | | 287,155 | | 306,661 | |
| Other taxes and social security costs | | 25,449 | | 118,680 | |
| Other creditors | | 18,236 | | 24,759 | |
| Accruals and deferred income | | <u>195,288</u> | | <u>203,996</u> | |
| | | <u>703,364</u> | | <u>654,096</u> | |
| General Fund Net Current Liabilities | | | <u>(617,729)</u> | | <u>(565,095)</u> |
| General Fund Net Assets | | | <u>(206,484)</u> | | <u>(139,601)</u> |
| PATRONS' FUND | | | | | |
| Current Assets | | | | | |
| Bank | | <u>1,645</u> | | <u>1,664</u> | |
| Patrons' Fund Net Assets | | | <u>1,645</u> | | <u>1,664</u> |
| Total Net Assets | | | <u>(204,839)</u> | | <u>(137,937)</u> |
| Split between: | | | | | |
| General Fund – Unrestricted Fund | 17 | | (206,484) | | (139,601) |
| Patrons' Fund – Restricted Fund | 18 | | <u>1,645</u> | | <u>1,664</u> |
| Total Funds | | | <u>(204,839)</u> | | <u>(137,937)</u> |

The financial statements on pages 4 to 11 were approved by the Board on 25 November 2003 and signed on its behalf by:

ON BEHALF OF THE DIRECTORS

N W Brown
Chairman



THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

Notes to the Financial Statements

for the year ended 31 March 2003

1 Accounting Policies

The financial statements have been prepared in accordance with The Charities (Accounts and Reports) Regulations 1995, the Statement of Recommended Practice "Accounting by Charities" and with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Restricted funds comprise amounts received for specific purposes.

Unrestricted funds are those which are available for general purposes of the charitable company.

The company is a registered charity and so achievements cannot be measured by normal commercial criteria. Accordingly the directors consider that it would be inappropriate to present a profit and loss account in a format set out in the Companies Act 1985. Therefore, as permitted by the Companies Act in order to reflect the special nature of the company's activities, the directors are of the opinion that it is more appropriate to present a statement of financial activities.

Depreciation of Tangible Fixed Assets

Depreciation is calculated to write off the cost of tangible fixed assets, over their estimated useful lives by equal annual instalments at the following rates:

Plant and equipment - over 3 years

Revaluation of Leasehold Property

Financial Reporting Standard 15 "Tangible Fixed Assets" has been adopted for the year ended 31 March 2003. Leasehold property was revalued on 31 March 2003.

Investments

Investments in subsidiaries are included on a net assets basis.

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

Turnover

Turnover represents amounts receivable, excluding VAT, for services provided during the year.

Grants

Grants are included as incoming resources when these are received, except when the donors specify that the grant must be used in future accounting periods. In these cases, the amounts for future periods are apportioned as deferred income.

Expenditure

Resources expended are accounted for on an accruals basis.

The majority of costs are directly attributable to specific activities. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year.

2 Going Concern

The Company manages its working capital requirements with support from funding from the Arts Council and other bodies. During the year ended 31 March 2003, the Company has continued to operate within tight budgetary controls. In June 2003, additional funding has been secured from the Arts Council and agreement has been reached for the company to be supported through the Recovery Programme. The Directors consider that with this ongoing support the Company is able to continue to trade and accordingly the financial statements have been prepared on a going concern basis.

3 Activities in furtherance of the Charity's objects

| | 2003 | 2002 |
|----------------|------------------|------------------|
| | £ | £ |
| Theatre income | <u>1,621,208</u> | <u>1,536,362</u> |

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

Notes to the Financial Statements

for the year ended 31 March 2003

| | | |
|--|------------------|------------------|
| 4 Grants | 2003 | 2002 |
| | £ | £ |
| Cambridge CC | 60,115 | 55,115 |
| East England Arts | 155,560 | 122,485 |
| South Cambs DC | 33,000 | 31,500 |
| Other | 500 | - |
| Education Fund Grant | (14,500) | (9,000) |
| | <u>234,675</u> | <u>200,100</u> |
| 5 Activities for Generating Funds | 2003 | 2002 |
| | £ | £ |
| <i>Front of house</i> | | |
| Merchandise | 17,360 | 13,502 |
| Programmes | 60,095 | 55,301 |
| Ices | 61,147 | 57,163 |
| Sweets | 30,800 | 27,943 |
| Bars | 97,582 | 96,970 |
| <i>Other</i> | | |
| Catering | 65,437 | 57,071 |
| Membership | 59,812 | 54,654 |
| Outside events | 29,494 | 27,509 |
| Sponsorship and advertising income | - | 7,886 |
| Booking fees | 2,260 | - |
| Other income | 19,116 | 11,375 |
| | <u>443,103</u> | <u>409,374</u> |
| 6 Interest Receivable | | |
| Interest receivable amounted to £23 (2002:£Nil) | | |
| 7 Costs of Generating Funds | 2003 | 2002 |
| | £ | £ |
| Merchandise | 10,175 | 8,403 |
| Programmes | 27,779 | 30,947 |
| Ices | 18,905 | 20,175 |
| Sweets | 18,943 | 18,062 |
| Bars | 35,706 | 37,379 |
| Credit card charges | 11,874 | 11,234 |
| Education | 8,002 | 8,417 |
| | <u>131,384</u> | <u>134,617</u> |
| 8 Costs of Activities in Furtherance of the Charity's Objects | 2003 | 2002 |
| | £ | £ |
| Theatre running costs | 1,253,203 | 1,120,078 |
| Performing rights | 9,832 | 17,311 |
| | <u>1,263,035</u> | <u>1,137,389</u> |

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

Notes to the Financial Statements

for the year ended 31 March 2003

| 9 Support Costs | 2003 | 2002 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 576,774 | 605,460 |
| Marketing | 116,314 | 157,430 |
| Repairs and maintenance | 74,985 | 67,886 |
| Gas and electricity | 28,119 | 30,639 |
| Telephone | 18,300 | 26,535 |
| Insurance | 21,346 | 15,627 |
| Cleaning | 17,315 | 17,007 |
| Postage | 9,117 | 9,132 |
| Other overheads | 27,913 | 24,926 |
| Leasehold improvements depreciation | 2,243 | 2,066 |
| Rent | - | 537 |
| | <u>892,426</u> | <u>957,245</u> |

| 10 Management and Administration | 2003 | 2002 |
|----------------------------------|----------------|----------------|
| | £ | £ |
| Rent | 37,620 | 34,890 |
| Wages and salaries | 35,167 | 30,319 |
| Cleaning | 35,156 | 34,529 |
| Gas and electricity | 14,486 | 15,784 |
| Legal and professional | 15,425 | 13,212 |
| Repairs and maintenance | 18,746 | 16,971 |
| Stationery | 13,164 | 19,610 |
| Telephone | 9,428 | 13,670 |
| Books and photocopier | 9,340 | 11,324 |
| Staff welfare and training | 10,276 | 10,805 |
| Depreciation | 9,691 | 6,799 |
| Loss on disposal of fixed assets | 5,062 | - |
| Postage | 4,697 | 4,704 |
| Catering | 3,000 | 3,096 |
| Bank charges and interest | 21,159 | 40,412 |
| | <u>242,417</u> | <u>256,125</u> |

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

Notes to the Financial Statements

for the year ended 31 March 2003

11 Resources Expended

Resources expended include the following in relation to staff costs:

| | 2003 £ | 2002 £ |
|-----------------------|----------------|----------------|
| Staff Costs: | | |
| Wages and salaries | 559,009 | 577,881 |
| Social security costs | 39,548 | 43,613 |
| Pension | 13,384 | 14,285 |
| | <u>611,941</u> | <u>635,779</u> |

No director received any remuneration from the company during the year.

No employee earned £50,000 pa or more.

The average number of employees, analysed by function was:

| | 2003 Number | 2002 Number |
|-------------------------------|----------------|----------------|
| Management and administration | 18 | 18 |
| Theatre staff | 126 | 126 |
| | <u>144</u> | <u>144</u> |

12 Net outgoing resources for the year are stated after charging:

| | 2003 £ | 2002 £ |
|--|-----------|--------------|
| Audit fees | 8,000 | 7,650 |
| Depreciation | 11,936 | 8,865 |
| Amounts provided against other investments | <u>-</u> | <u>2,500</u> |

13 Taxation

The Cambridge Arts Theatre Trust Limited is a registered charity and is therefore not liable to income or corporation tax on funds received and expended on activities covered by its charitable status.

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

Notes to the Financial Statements

for the year ended 31 March 2003

14 Tangible Fixed Assets

| | Leasehold Property £ | Plant and Equipment £ | Total £ |
|---|----------------------------|-----------------------------|------------|
| Cost/valuation as at 1 April 2002 | 375,000 | 255,828 | 630,828 |
| Additions | - | 6,775 | 6,775 |
| Disposals | - | (10,297) | (10,297) |
| As at 31 March 2003 | | 252,306 | 627,306 |
| Accumulated depreciation as at 1 April 2002 | - | 205,335 | 205,335 |
| Charge in year | - | 11,936 | 11,936 |
| Released on disposals | - | (1,209) | (1,209) |
| Accumulated depreciation at end of year | - | 216,062 | 216,062 |
| Net book value as at 31 March 2003 | 375,000 | 36,244 | 411,244 |
| As at 31 March 2002 | 375,000 | 50,493 | 425,493 |

A professional valuation of the company's leasehold property at 31 March 2003 was carried out by Roger Driver M.R.I.C.S. On the basis of value in use, a valuation of £375,000 is reported.

15 Fixed Assets Investments

| | Cost/ Valuation 2003 £ | Cost/ Valuation 2002 £ |
|---|---------------------------------|---------------------------------|
| The company has 100% holdings in the following subsidiary companies, which are registered in England: | | |
| Arts Cinema and Theatres of Cambridge Limited | 1 | 1 |
| Garden House Property Limited | - | - |
| Drungewick Manor Limited | - | - |
| Acropolis Limited (100% subsidiary of Drungewick Manor Limited) | - | - |
| Cambridge Arts Catering Limited | - | - |
| | 1 | 1 |

16 Bank Overdraft

The Bank overdraft is secured against the leasehold of the Cambridge Arts Theatre.

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

Notes to the Financial Statements

for the year ended 31 March 2003

| | | |
|--|------------------|------------------|
| 17 Unrestricted Funds | 2003 | 2002 |
| | £ | £ |
| General Fund | | |
| Balance brought forward | (139,601) | 196,871 |
| Incoming resources | 2,462,360 | 2,151,452 |
| Outgoing resources | (2,529,243) | (2,487,876) |
| Movement of funds from restricted to unrestricted | - | (48) |
| Balance carried forward | <u>(206,484)</u> | <u>(139,601)</u> |
| 18 Restricted Funds | 2003 | 2002 |
| | £ | £ |
| Patrons' Fund | | |
| Balance brought forward | 1,664 | 1,616 |
| Expenses | (19) | |
| Movement of funds from restricted to unrestricted | | 48 |
| | <u>1,645</u> | <u>1,664</u> |
| 19 Operating Lease Commitments | | |
| The amounts payable in respect of operating leases for equipment are shown below, analysed according to the expiry date of the leases. | | |
| | 2003 | 2002 |
| | £ | £ |
| Less than one year | 3,580 | - |
| One to two years | - | 3,580 |
| Two to five years | 18,000 | 18,000 |
| | <u>21,580</u> | <u>21,580</u> |