

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 2004



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

William T Mason

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 2004.

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 Theatre again faced a very difficult year with declining revenues, increased cost of productions and difficulties with its catering operations.

The Directors have now effected significant management changes including the appointment of a new Executive Director and have a clear strategy for the long- term future of the Theatre. The Directors are working closely and constructively with all stakeholders and particularly Arts Council England to secure an appropriate refinancing package.

Directors

The Directors during the year were:

N W Brown

I Ross (resigned 26 November 2003)

D S Fordham

W T Mason (appointed 8 September 2003)

S Garnham was appointed as director on 21 October 2004.

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 17 and 18 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

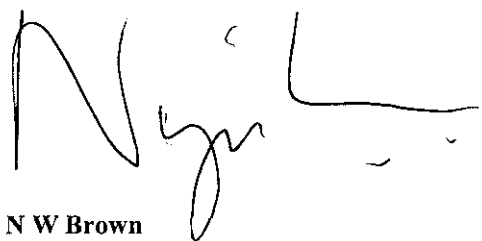
We confirm that the major risks to which the charity is exposed, as identified by the board, have been reviewed and systems have been established to mitigate those risks.

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.

A handwritten signature in black ink, appearing to read 'N W Brown', with a horizontal line extending to the right.

N W Brown
Chairman

Date: 28 January 2005

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 2004

We have audited the financial statements on pages 5 to 12 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 7.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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.

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 2004

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 2004 and of its 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.



PETERS ELWORTHY & MOORE
Chartered Accountants and
Registered Auditors

CAMBRIDGE

Date: 28/1/05

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

Statement of Financial Activities (incorporating income and expenditure account)

for the Year Ended 31 March 2004

	Notes	2004 Unrestricted Funds £	2004 Restricted Funds £	2004 Total Funds £	2003 Total Funds £
Incoming Resources					
Activities in furtherance of the Charity's objects	3	1,307,234	-	1,307,234	1,621,208
Donations and gifts		1,987	-	1,987	3,351
Legacies		-	-	-	160,000
Other external grants	4	252,842	-	252,842	234,675
Activities for generating funds	5	408,311	-	408,311	443,103
Interest receivable	6	-	19	19	23
Recovery programme	7	350,000	-	350,000	-
Total Incoming Resources		<u>2,320,374</u>	<u>19</u>	<u>2,320,393</u>	<u>2,462,360</u>
Resources Expended					
Costs of Generating Funds	8	97,676	-	97,676	131,384
Costs in furtherance of the Charity's objects	9	997,144	-	997,144	1,263,035
Support costs	10	921,647	-	921,647	892,426
Management and administration	11	296,994	-	296,994	242,417
Total Resources Expended	12	<u>2,313,461</u>	<u>-</u>	<u>2,313,461</u>	<u>2,529,262</u>
Net incoming/(Outgoing) Resources for the Year	13	6,913	19	6,932	(66,902)
Net Movements in Funds		6,913	19	6,932	(66,902)
Fund balances brought forward at beginning of year	18/19	(206,484)	1,645	(204,839)	(137,937)
Fund balances carried forward at end of year		<u>(199,571)</u>	<u>1,664</u>	<u>(197,907)</u>	<u>(204,839)</u>

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

Balance Sheet

as at 31 March 2004

GENERAL FUND	Notes	2004 £	2004 £	2003 £	2003 £
Fixed Assets					
Tangible fixed assets	15		420,819		411,244
Investments	16		<u>1</u>		<u>1</u>
			420,820		411,245
Current Assets					
Stocks		13,079		13,549	
Trade debtors		8,051		32,754	
Other debtors		-		9,621	
Prepayments		14,703		27,131	
Cash at bank		<u>2,500</u>		<u>2,580</u>	
		38,333		85,635	
Current Liabilities					
Bank overdraft	17	69,462		177,236	
Trade creditors		293,491		287,155	
Other taxes and social security costs		36,826		25,449	
Other creditors		41,719		18,236	
Accruals and deferred income		<u>217,226</u>		<u>195,288</u>	
		658,724		703,364	
General Fund Net Current Liabilities			<u>(620,391)</u>		<u>(617,729)</u>
General Fund Net Assets			<u>(199,571)</u>		<u>(206,484)</u>
PATRONS' FUND					
Current Assets					
Bank		<u>1,664</u>		<u>1,645</u>	
Patrons' Fund Net Assets			<u>1,664</u>		<u>1,645</u>
Total Net Assets			<u>(197,907)</u>		<u>(204,839)</u>
Split between:					
General Fund – Unrestricted Fund	18		(199,571)		(206,484)
Patrons' Fund – Restricted Fund	19		<u>1,664</u>		<u>1,645</u>
Total Funds			<u>(197,907)</u>		<u>(204,839)</u>

The financial statements on pages 5 to 12 were approved by the Board on 28 January 2005 and signed on its behalf by:

ON BEHALF OF THE DIRECTORS

N W Brown
Chairman

The notes on pages 7 to 12 form part of these Financial Statements

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

Notes to the Financial Statements for the year ended 31 March 2004

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:

Theatre- over the term of the lease

Plant and equipment - over 4 years

Computer equipment- over 3 years

Revaluation of Leasehold Property

Financial Reporting Standard 15 "Tangible Fixed Assets" has been adopted for the year ended 31 March 2004. Leasehold property was valued by an independent valuer on 31 March 2002 and the directors consider there has been no significant change to this valuation.

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 2004, the Company has continued to operate within tight budgetary controls. The company is supported through the Arts Council's Recovery Programme. During the year ended 31 March 2004, £350,000 was received under this programme and a further £100,000 has been received since the year end. An application for further funding will be made in the near future. 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

	2004 £	2003 £
Theatre income	<u>1,307,234</u>	<u>1,621,208</u>

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

Notes to the Financial Statements

for the year ended 31 March 2004

4	Grants	2004 £	2003 £
	Cambridge CC	65,315	60,115
	East England Arts	158,727	155,560
	South Cambs DC	43,000	33,000
	Other	-	500
	Education Fund Grant	(14,200)	(14,500)
		<u>252,842</u>	<u>234,675</u>

5	Activities for Generating Funds	2004 £	2003 £
	<i>Front of house</i>		
	Merchandise	18,584	17,360
	Programmes	42,195	60,095
	Ices	49,478	61,147
	Sweets	28,454	30,800
	Bars	73,684	97,582
	<i>Other</i>		
	Catering	23,653	65,437
	Membership	59,521	59,812
	Outside events	41,707	29,494
	Sponsorship and advertising income	1,987	-
	Booking fees	64,615	2,260
	Other income	4,433	19,116
		<u>408,311</u>	<u>443,103</u>

6 Interest Receivable

Interest receivable amounted to £19 (2003:£23).

7 Recovery Programme

The company has been accepted on the Arts Council Recovery Programme. During the year, £350,000 was received from the Arts Council and a further £100,000 has been received since the year end.

8	Costs of Generating Funds	2004 £	2003 £
	Merchandise	9,128	10,175
	Programmes	16,697	27,779
	Ices	14,470	18,905
	Sweets	20,379	18,943
	Bars	22,611	35,706
	Credit card charges	6,390	11,874
	Education	8,001	8,002
		<u>97,676</u>	<u>131,384</u>

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

Notes to the Financial Statements

for the year ended 31 March 2004

9 Costs of Activities in Furtherance of the Charity's Objects	2004	2003
	£	£
Theatre running costs	995,234	1,253,203
Performing rights	1,910	9,832
	<u>997,144</u>	<u>1,263,035</u>
10 Support Costs	2004	2003
	£	£
Wages and salaries	628,558	576,774
Marketing	106,798	116,314
Repairs and maintenance	81,208	74,985
Gas and electricity	27,905	28,119
Telephone	16,535	18,300
Insurance	26,900	21,346
Cleaning	17,180	17,315
Postage	9,228	9,117
Other overheads	5,431	27,913
Leasehold improvements depreciation	1,904	2,243
	<u>921,647</u>	<u>892,426</u>
11 Management and Administration	2004	2003
	£	£
Rent	38,320	37,620
Wages and salaries	30,195	35,167
Cleaning	34,881	35,156
Gas and electricity	14,376	14,486
Legal and professional	28,719	15,425
Repairs and maintenance	20,302	18,746
Stationery	11,169	13,164
Telephone	8,518	9,428
Books and photocopier	9,718	9,340
Staff welfare and training	8,600	10,276
Depreciation	11,991	9,691
Loss on disposal of fixed assets	(4,781)	5,062
Postage	4,754	4,697
Catering	3,131	3,000
Bad debts	56,712	-
Bank charges and interest	20,389	21,159
	<u>296,994</u>	<u>242,417</u>

THE CAMBRIDGE ARTS THEATRE TRUST LIMITED

Notes to the Financial Statements

for the year ended 31 March 2004

12 Resources Expended

Resources expended include the following in relation to staff costs:

	2004 £	2003 £
Staff Costs:		
Wages and salaries	599,440	559,009
Social security costs	45,686	39,548
Pension	13,647	13,384
	<u>658,773</u>	<u>611,941</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:

	2004 Number	2003 Number
Management and administration	25	18
Theatre staff	119	126
	<u>144</u>	<u>144</u>

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

	2004 £	2003 £
Audit fees	8,000	8,000
Depreciation	13,895	11,936

14 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 2004

15 Tangible Fixed Assets	Leasehold Property £	Plant and Equipment £	Total £
Cost/valuation as at 1 April 2003	375,000	252,306	627,306
Additions	-	23,470	23,470
Disposals	-	-	-
As at 31 March 2004	<u>375,000</u>	<u>275,776</u>	<u>650,776</u>
Accumulated depreciation as at 1 April 2003	-	216,062	216,062
Charge in year	-	13,895	13,895
Released on disposals	-	-	-
Accumulated depreciation at end of year	<u>-</u>	<u>229,957</u>	<u>229,957</u>
Net book value as at 31 March 2004	<u>375,000</u>	<u>45,819</u>	<u>420,819</u>
As at 31 March 2003	<u>375,000</u>	<u>36,244</u>	<u>411,244</u>

A professional valuation of the company's leasehold property at 31 March 2002 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.

16 Fixed Assets Investments	Cost/ Valuation 2004 £	Cost/ Valuation 2003 £
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	-	-
	<u>1</u>	<u>1</u>

17 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 2004

18 Unrestricted Funds

	2004 £	2003 £
General Fund		
Balance brought forward	(206,484)	(139,601)
Incoming resources	2,320,374	2,462,360
Outgoing resources	(2,313,461)	(2,529,243)
Balance carried forward	<u>(199,571)</u>	<u>(206,484)</u>

19 Restricted Funds

	2004 £	2003 £
Patrons' Fund		
Balance brought forward	1,645	1,664
Income/ (Expenses)	19	(19)
	<u>1,664</u>	<u>1,645</u>

20 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.

	2004 £	2003 £
Less than one year	-	3,580
One to two years	-	-
Two to five years	21,723	18,000
	<u>21,723</u>	<u>21,580</u>

21 Pension Scheme

The company operates a stakeholder pension scheme for its employees.