

Registrar
of
Companies

499076

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 1995
FOR
THE SALISBURY ARTS THEATRE LIMITED



THE SALISBURY ARTS THEATRE LIMITED

INDEX TO THE FINANCIAL STATEMENTS

	Page
STATUTORY	
Company Information	1
Report of the Directors	2
Report of the Auditors	4
Report of the Auditors - Group Accounts Exemption	5
Income and Expenditure Account	6
Balance Sheet	7
Notes to the Financial Statements	8
NON-STATUTORY	
Income and Expenditure Account	13
Local Authority Grants	14
Administrative Costs	15
Schedule of Fixed Assets	16

THE SALISBURY ARTS THEATRE LIMITED

COMPANY INFORMATION

DIRECTORS

S P Richards (Chairman)
Ms T Carlyle
P F Chalke
L Harrington
Mrs P Killner
D Longfield
Ms C MacRae
C C Ware

SECRETARY

Ms R Morland

REGISTERED OFFICE

Salisbury Playhouse
Malthouse Lane
Salisbury
Wilts SP2 7RA

REGISTERED NUMBER

499076

CHARITY NUMBER

249169

AUDITORS

Fawcetts
Chartered Accountants
and Registered Auditors
Windover House
St Ann Street
Salisbury
Wilts SP1 2DR

The above information relates to the date of approval
of these financial statements

THE SALISBURY ARTS THEATRE LIMITED

REPORT OF THE DIRECTORS

The directors present their report with the audited financial statements of the company for the period ended 31 March 1995.

As disclosed in note 16 of the financial statements, the directors have taken advantage of the exemption conferred by section 248 of the Companies Act 1985 and have not prepared group accounts.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of a theatre and production company at Salisbury Playhouse. The commercial side of the Playhouse's operations are carried out by the subsidiary company, Playhouse Services Limited.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Following the disappointing result of the previous year the company continued to make trading losses in 1994/95. As a consequence the directors appointed specialist theatre consultants to undertake a critical review of the Playhouse's management and activities and to assist the board in preparing a business plan. Following the advice of the consultants, the board decided to close the Playhouse in January 1995, and after achieving the principal aims in the closure period, as outlined below, was able to re-open in September 1995 as scheduled. The purposes of the closure were to enable the company principally to:

- review and revise management and board structures;
- undertake a programme of refurbishment of the building;
- develop and communicate artistic policy to the public;
- debate funding of the company with funders, and seek new sources of funding.

During the closure period, the Playhouse restaurant and costume hire service remained open. The education and youth theatre programme also continued.

A fund raising appeal was launched in April 1995 to assist in financing the Phase I refurbishments and to provide additional working capital. An application has also been made to the National Lottery to provide capital for the Phase II refurbishment programme.

TRANSFER TO RESERVES

The deficit for the year of £209,829 will be transferred to reserves.

DIRECTORS

The directors in office during the period to 30 January 1995 were as follows:

A R Fanshawe (Chairman)	Resigned 30.01.95
W H N Southerden (Vice Chairman)	Resigned 30.01.95
Mrs J E Bowden	Resigned 30.01.95
P F Chalke - on behalf of Wiltshire County Council	Resigned 30.01.95
R A Culver - on behalf of Hampshire County Council	Resigned 30.01.95
M J N Custance	Resigned 30.01.95
W G Dufton	Resigned 30.01.95
A F Gould	Resigned 30.01.95
L Harrington - on behalf of Salisbury District Council	Resigned 30.01.95
R J Luetchford	Resigned 24.09.94
Mrs J P Mitchell	Resigned 12.09.94
G B Phelan	Resigned 30.01.95
Mrs V A Stewart	Resigned 28.04.94
C C Ware - on behalf of Friends and Patrons	Resigned 30.01.95
K C Wren	Resigned 31.10.94

Continued on page 3.

THE SALISBURY ARTS THEATRE LIMITED

REPORT OF THE DIRECTORS

Continued from page 2.

DIRECTORS (Continued)

The directors who were all appointed on 30 January 1995, and who have remained in office since their appointment are as follows:

S P Richards (Chairman)
Ms T Carlyle
P F Chalke
L Harrington
Mrs P Killner
D Longfield
Ms C MacRae
C C Ware

POST BALANCE SHEET EVENTS

Information regarding post balance sheet events is contained in note 18 to the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgments 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 that 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.

AUDITORS

The auditors, Fawcetts, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

Director..... S P RICHARDS

Dated..... 15/1/96.....

THE SALISBURY ARTS THEATRE LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF THE SALISBURY ARTS THEATRE LIMITED

We have audited the financial statements on pages six to twelve which have been prepared under the historical cost convention and the accounting policies set out on page eight.

Respective responsibilities of directors and auditors

As described on page three the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 19 of the financial statements concerning the uncertainty over funding becoming available. The financial statements have been prepared on a going concern basis and do not therefore contain any adjustments that would result if sufficient funding did not become available (the principal adjustment would relate to the value of the freehold theatre site, as described in note 7 of the financial statements). In view of the significance of this uncertainty 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 affairs of the company as at 31 March 1995 and of the deficit of the company for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

FAWCETTS

Chartered Accountants
and Registered Auditors

Windover House

St Ann Street

Salisbury

Wilts SP1 2DR

Dated: 11 January 1996

THE SALISBURY ARTS THEATRE LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF THE SALISBURY ARTS THEATRE LIMITED PURSUANT TO SECTION 248(3) OF THE COMPANIES ACT 1985

We have examined the financial statements of the company and its subsidiary for the period ended 31 March 1995.

Basis of opinion

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to exemption from preparing group financial statements.

Opinion

In our opinion the company is entitled to the exemption from preparing group financial statements conferred by section 248 of the Companies Act 1985.



FAWCETTS

Chartered Accountants
and Registered Auditors
Windover House
St Ann Street
Salisbury
Wilts SP1 2DR

Dated: 11 January 1996

THE SALISBURY ARTS THEATRE LIMITED

INCOME AND EXPENDITURE ACCOUNT for the Period Ended 31 March 1995

	Notes	1995		1994	
		£	£	£	£
INCOME	2		468,940		711,479
Trading costs		17,830		25,217	
Production costs		671,381		833,641	
Administrative costs		424,740		497,202	
Depreciation		34,160		36,330	
			1,148,111		1,392,390
			(679,171)		(680,911)
Other operating income	3		566,467		578,351
OPERATING DEFICIT	4		(112,704)		(102,560)
Costs of fundamental reorganisation	5		90,680		-
			(203,384)		(102,560)
Interest receivable			134		395
			(203,250)		(102,165)
Interest payable and similar charges			6,579		3,581
RETAINED DEFICIT FOR THE FINANCIAL PERIOD	13		(209,829)		(105,746)

A statement of the movement on reserves appears as note 13 to the financial statements.

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current or previous periods.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the deficits for the current and previous periods.

The notes form part of these financial statements

THE SALISBURY ARTS THEATRE LIMITED

BALANCE SHEET As at 31 March 1995

	Notes	1995		1994	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		629,824		658,915
Investments	8		100		100
			<u>629,924</u>		<u>659,015</u>
CURRENT ASSETS					
Debtors	9	27,236		63,541	
Cash at bank and in hand		4,421		21,626	
		<u>31,657</u>		<u>85,167</u>	
CREDITORS: Amounts falling due within one year	10	439,719		370,491	
				<u>370,491</u>	
NET CURRENT LIABILITIES			(408,062)		(285,324)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>221,862</u>		<u>373,691</u>
CREDITORS: Amounts falling due after more than one year	11		84,000		26,000
			<u>137,862</u>		<u>347,691</u>
RESERVES					
General reserve fund	13		(315,048)		(119,829)
Theatre development fund	13		452,910		467,520
	14		<u>137,862</u>		<u>347,691</u>

In preparing these financial statements, we have taken advantage of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. We have done so on the grounds that, in our opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Section 247 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

Director..... S P RICHARDS

Approved by the board on..... 11/1/96.....

The notes form part of these financial statements

THE SALISBURY ARTS THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Period Ended 31 March 1995

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention. Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Basis of preparing the financial statements

As explained in note 19, the financial statements have been prepared on a going concern basis and do not include any adjustments that would result if sufficient funding did not become available.

Consolidation

The company and its subsidiary comprise a small group. As explained in note 16, the company is not required to prepare group financial statements under the exemption conferred by section 248 of the Companies Act 1985.

Income

Income represents the value of ticket and programme sales and income from exhibitions, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

- Land and buildings - 2% on cost (to 31 March 2026)
- Plant and machinery etc. - 10% to 25% on cost

Pension costs

Contributions to defined contribution pension schemes are charged to the income and expenditure account when paid. The cost charged in the period was £1,370 (1994 - £1,240).

Grants receivable

Grants are recognised in the income and expenditure account in the period in which they become receivable.

Leases

Rentals paid under operating leases are charged to income as incurred.

2. INCOME

The income and deficit for the period are attributable to the one principal activity of the company.

3. OTHER OPERATING INCOME

	1995	1994
	£	£
Management charge	9,000	24,000
Covenanted payment	-	1,509
Grants receivable	489,676	478,881
Sponsorship and donations	8,532	26,366
Sundry income	59,259	47,595
	<u>566,467</u>	<u>578,351</u>

THE SALISBURY ARTS THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Period Ended 31 March 1995

4. OPERATING DEFICIT

This is stated after charging/(crediting):

	1995	1994
	£	£
Depreciation of owned assets	35,249	36,330
Surplus on disposal of motor vehicle	(1,089)	-
Exceptional item - provision for subsidiary debtor	12,984	-
Directors' emoluments	-	-
Auditors' remuneration	5,500	6,000
	<u> </u>	<u> </u>

5. EXCEPTIONAL ITEMS

In January 1995 the Playhouse closed for reorganisation and restructuring. This closure has given rise to the following costs:

	£
Legal and professional fees in respect of reorganisation and restructuring	43,105
Redundancy costs	47,575
	<u>90,680</u>

In addition to the above, an exceptional item of £12,984 has been charged to administrative costs, being the provision for the balance due from Playhouse Services Limited (see note 9).

6. TAXATION

The company is a registered charity and is not liable to taxation.

7. TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery etc.	Totals
	£	£	£
COST			
As at 27 March 1994	871,777	228,441	1,100,218
Additions	1,298	7,171	8,469
Disposals	-	(4,621)	(4,621)
As at 31 March 1995	<u>873,075</u>	<u>230,991</u>	<u>1,104,066</u>
DEPRECIATION			
As at 27 March 1994	279,041	162,262	441,303
Charge for the year	18,563	16,686	35,249
Eliminated on disposals	-	(2,310)	(2,310)
As at 31 March 1995	<u>297,604</u>	<u>176,638</u>	<u>474,242</u>
NET BOOK AMOUNTS			
As at 31 March 1995	<u>575,471</u>	<u>54,353</u>	<u>629,824</u>
As at 26 March 1994	<u>592,736</u>	<u>66,179</u>	<u>658,915</u>

THE SALISBURY ARTS THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Period Ended 31 March 1995

7. TANGIBLE FIXED ASSETS (Continued)

Under a Deed of Exchange dated 27 March 1974, the freehold theatre site may be bought by Salisbury District Council for the sum of £1 if the company shall cease using the site for the purposes set out in the planning application within a period of eighty years.

A grant of £50,000 has been received from the Department of National Heritage in respect of additions to plant and machinery etc.

8. FIXED ASSET INVESTMENTS

Investments represent the cost of shares in Playhouse Services Limited, a wholly owned subsidiary incorporated in England and Wales, whose principal activity is the running of a restaurant, bar, shop and costume hire service at Salisbury Playhouse.

9. DEBTORS

	1995	1994
	£	£
Trade debtors	15,210	5,591
Grants receivable	4,018	2,500
Other debtors	5,116	15,323
Prepayments	2,892	32,832
Due from Playhouse Services Limited	-	7,295
	<u>27,236</u>	<u>63,541</u>

An amount of £12,984 is due from Playhouse Services Limited but due to the insolvent position of Playhouse Services Limited, uncertainty over the recoverability of this balance has arisen. It has therefore been considered prudent to make a provision for this amount and this has been included as an exceptional item (see note 5).

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995	1994
	£	£
Bank overdraft (secured)	97,089	106,356
Loan - Salisbury District Council	53,000	27,000
Trade creditors	77,874	27,090
Other creditors	15,742	21,402
Value added tax	10,292	10,291
Payroll taxes	34,745	13,513
Accrued expenses	33,777	31,433
Deferred income	-	37,006
Grants received in advance	117,200	96,400
	<u>439,719</u>	<u>370,491</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1995	1994
	£	£
Loan - Salisbury District Council	-	26,000
Loan - Wiltshire County Council	84,000	-
	<u>84,000</u>	<u>26,000</u>

THE SALISBURY ARTS THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Period Ended 31 March 1995

12. LEASING COMMITMENTS

At the balance sheet date, the company had annual commitments under non-cancellable operating leases in respect of plant and machinery as set out below:

	1995 £	1994 £
Operating leases which expire: within one year	-	1,205

13. STATEMENT OF MOVEMENT ON RESERVES

	General reserve fund	Theatre development fund
	£	£
As at 27 March 1994	(119,829)	467,520
Retained deficit for the period	(209,829)	-
Transfer for the period	14,610	(14,610)
As at 31 March 1995	(315,048)	452,910

The theatre development fund arose from capital donations and grants received in order to fund the building of the theatre and extension. An annual transfer is made to the general reserve fund in order to equate the theatre development fund with the net book amount of the theatre and extension.

14. RECONCILIATION OF MOVEMENTS IN RESERVES

	1995 £	1994 £
Deficit for the financial period	(209,829)	(105,746)
Opening reserves	347,691	453,437
Closing reserves	137,862	347,691

15. STATUS

The company is limited by guarantee and has no share capital.

16. SUBSIDIARY UNDERTAKING

The commercial activities at Salisbury Playhouse are carried out by a separate company, Playhouse Services Limited, a company registered in England, for which the company holds all the shares. The company is not required to prepare group financial statements, under the exemption conferred by section 248 of the Companies Act 1985.

At 31 March 1995 the aggregate of the share capital and reserves of Playhouse Services Limited amounted to £(31,599) and the loss for the period to that date was £31,699.

THE SALISBURY ARTS THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Period Ended 31 March 1995

17. CAPITAL COMMITMENTS

At 31 March 1995, the company had authorised, but not yet contracted for capital expenditure of £400,000 in respect of the Playhouse refurbishment. A grant of £300,000 from Salisbury District Council will be received towards this expenditure, the balance of which is to be met by funds received from fund-raising activities.

At 26 March 1994, the company had authorised but not yet contracted for capital expenditure of £51,938.

18. POST BALANCE SHEET EVENTS

Since the closure of the Playhouse in January 1995, the company has secured the continued support of its bank and its funders in respect of both revenue and capital grants, furthermore, the company has launched a fund raising appeal to assist in financing the Playhouse refurbishment and to provide additional working capital.

On obtaining this support, the company has been able to fund its Phase I refurbishment programme of the Playhouse building. Work on the refurbishment began in June 1995 and was completed by September 1995.

Following the refurbishment, receipt of various revenue grants and the reorganisation and restructure of the company, the company was able to re-open on 30 September 1995.

19. GOING CONCERN

The company meets its day to day working capital requirements through an overdraft facility which, in common with all such facilities is repayable on demand. The company is also dependent on the continuing financial support of its funders, principally Southern Arts, Wiltshire County Council and Salisbury District Council.

Due to the disappointing results of the current and previous periods the Playhouse closed in January 1995 for reorganisation and restructuring. As mentioned in note 18, the Playhouse has obtained the required funding to carry out its initial refurbishment programme and to re-open in September 1995.

The directors are reasonably confident that sufficient funding will continue to be available and have therefore considered it appropriate to prepare the financial statements on a going concern basis. The financial statements do not therefore include any adjustments that would result if sufficient funding did not become available.

20. CONTINGENT LIABILITIES

The company is currently responding to enquiries from the Charity Commissioners and the Inland Revenue. It is not possible at this stage to predict the outcome of these enquiries and any possible liabilities arising. Accordingly no provision has been made in these financial statements.