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The Southampton Nuffield Theatre Trust Limited
(A Registered Charity and Company Limited by Guarantee)

Trustees Report and Financial Statements
For the Year Ended 31 March 2008

Charity number 286876
Company number 01711502

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The Southampton Nuffield Theatre Trust Limited
(A Registered Charity and Company Limited by Guarantee)

Trustees Report and Financial Statements
For the year ended 31 March 2008

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The Southampton Nuffield Theatre Trust Limited

Trustees report for the year ended 31 March 2008.

The Board Members have pleasure in presenting their annual report and the financial statements for the year ended 31 March 2008

1. Reference and administrative information

Charity name	The Southampton Nuffield Theatre Trust Limited
Charity registration number	286876
Company registration number	01711502
Registered & principal office	The Nuffield Theatre, University Road, Southampton SO17 1TR

Board Members / Trustees / Directors

The Board Members constitute directors for the purposes of the Companies Act 1985 and trustees for the purposes of charity law. The Board Members at the date of this report & those who served during the year were

Ex-officio Board Members

Jo Doyle		UoS
Peter Edgar (Cllr)		HCC
Derek Burke (Cllr)	Appointed 28 June 2007 / Resigned 4 June 2008	SCC
Edwina Cooke (Cllr)	Appointed 28 June 2007 / Resigned 4 June 2008	SCC
John Hannides (Cllr)	Appointed 4 June 2008	SCC
Dennis Harryman (Cllr)	Resigned 28 June 2007	SCC
Terry Holden-Brown (Cllr)	Resigned 28 June 2007	SCC
Jeremy Moulton (Cllr)	Appointed 1 September 2008	SCC

Elected Board Members

Hemi Bhatt	
Stephen Boyce - Chair	
Richard Cutler	
Alex Darbyshire	
Fiona Dorman-Jackson	
Christopher Gordon	
Duncan Hanner	Resigned 4 October 2007
Lynne Lockyer – Vice Chair	
Jenny Palmer	
Pam Robertson – Vice Chair	

Executive Directors delegated with day to day management

Kate Anderson	Executive Director / Company Secretary
Patrick Sandford	Artistic Director

The Southampton Nuffield Theatre Trust Limited

Trustees report (continued)

2. Structure, Governance and Management

a Constitution & governing document

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

b The organisational structure of the charity and how decisions are made

The members of the company appoint from their number a Board to manage the affairs of the charity. The Board meets at least four times each year.

The Board currently comprises nine Elected Board Members and four Ex-officio Board Members. All Board Members have the same voting rights.

The Ex-officio Members are appointed by the University of Southampton, Southampton City Council (which has two Ex-officio Board Members) and Hampshire County Council.

The Board also operates an Executive Committee of five members: the Chair of the Board, the two Vice Chairs of the Board, and two members elected by the Board from its membership annually. The Executive Committee meets quarterly and reports to the full Board.

An Artistic Director and Executive Director are appointed by the Board to manage the day-to-day activities of the charity.

c Recruitment and appointment of new Board Members

Under the requirements of the Articles of Association, at the Annual General Meeting one third of the elected Board Members retire annually in rotation. Retiring Board Members are eligible to be re-elected for a period of three years. At the expiry of this first period of three years Board Members are eligible to stand for election for a second period of three years. On expiry of this second period the Board Member will not be eligible for re-election for two years.

The Board Members monitor the skills and experience requirements of their number. When additional Board Members are required the Board identifies possible new Members who they may then appoint temporarily until the next Annual General Meeting when they are eligible for formal election to the Board.

The University and the County Council each have the power to appoint one Ex-officio Board Member, and the City Council has the power to appoint two Ex-officio Board Members.

d Induction and training of Board Members

New Board Members receive a detailed induction pack and have an induction meeting with the Artistic and Executive Directors. Additionally, new and existing Board Members are invited to periodical Awaydays and are regularly briefed about professional theatre practice and other relevant topical issues.

The Southampton Nuffield Theatre Trust Limited

Trustees report (continued)

e Related parties

The related parties of the charity include all the Board Members together with the University of Southampton, Southampton City Council and Hampshire County Council who nominate the Ex-officio Board Members

University of Southampton

The relationship with the University of Southampton is complex. The Southampton Nuffield Theatre Trust Limited raises approximately £1 million of public subsidy and brings the professional expertise to run the Nuffield Theatre building which is owned by the University and leased to The Southampton Nuffield Theatre Trust Limited at a peppercorn rent.

Details of the transactions with the University are included in note 3 to the financial statements.

Trading subsidiary

The charity has a wholly owned subsidiary company, Southampton Nuffield Theatre Trading Company Limited. Up to 31 March 2006 the subsidiary operated for the purposes of bar and catering trading at the theatre. On that date these activities were transferred to the charity itself and the subsidiary became dormant.

f Risk management

The major risks to which the charity is exposed, and the action being taken to manage these risks, are monitored by Board Members at Board and Sub-committee meetings. Both the risks register and systems to manage risks are also formally reviewed by the Board Members annually.

3. Objectives and activities

a Memorandum objects

The objects of the charity, as set out in the Memorandum of Association, are "the encouragement of the Arts, the promotion and advancement of education and the cultivation and improvement of public education in drama, mime, opera, singing, music, dance, painting and sculpture, cinema, literature and the other arts."

b Artistic policy

Our vision is to produce theatre that is intelligent, emotionally perceptive, light on its feet, contemporary in style, and as enlivening as possible for a wide audience. We will encourage artists and other people to develop so they may express and/or enjoy this vision.

c How we put the artistic policy into practice

Our Programme

Nuffield Productions

The Company produces and presents work for adults and children, on varying scales, in the main house, in the studio and on tour to theatres, schools and other non-theatre spaces.

- **Play Choice**
The repertoire is wide including new writing and classics from Britain and abroad with themes that are universal and relevant to contemporary audiences. Quality of writing, richness of content and theatricality are paramount.
- **Production Style**
Clarity and accessibility are all important, in acting, direction and design. The emphasis on emotional complexity and intelligence mean that design tends to be striking and simple rather than lavish.

The Southampton Nuffield Theatre Trust Limited

Trustees report (continued)

Participation

The Nuffield runs an extensive theatre education programme for the Southampton City region. We focus on activities that develop participants' emotional literacy, self-confidence, social deftness, and creativity as much as their specific theatrical skills.

Development activity

The Nuffield Writers' Group, which has been in existence for over ten years, spearheads a wide range of research and development work, which also includes traineeships and apprenticeships in all departments, platform performances, play readings and activity with a network of Southampton artists.

Visiting company productions for adults and children

We seek to choose companies from Britain and abroad who while serving our vision may complement it with significantly different production styles.

Audiences/participants

The Nuffield creates theatre in Southampton, for people living in the city and the southern region. We recognise that a wide range of people enjoy and are stimulated by our work and we actively seek to attract people from all sectors of our community. Elements of our programme are created with certain sectors in mind, for example for children and young people. We respond to the shifts in the cultural diversity of our region. We are committed to ensuring that all barriers to attendance or full enjoyment of our activities are minimised.

Our Marketing

The Company's marketing is one of the principal ways in which its vision is publicised. Publicity materials are a visual reflection of the vision. We aim to create images, design and copy that are contemporary, fresh, clear, and sophisticated and above all honest. We market our shows to a wide audience, and engage with members of the community who may be under represented in the current audience base.

Our Front of House facilities

We also recognise that the theatre's front of house areas and facilities need to reflect its vision. In developing the physical aspects of the building, and through our catering, and customer service, we aim to create an atmosphere that is modern, welcoming, bright, and enlivening. A stimulating environment and multi use of the front of house areas assist the Company in delivering its vision to as wide an audience as possible.

d. Activities

The regular charitable activities of the charity include

- Production and presentation of live theatre
 - Main house productions
 - Studio productions
 - Visiting company productions
 - Alternative nights
 - Tours performing at schools, theatres and arts centres
 - Saturday morning children's theatre
 - Youth theatres & drama clubs
 - Adult theatre skills workshops
 - Community and educational arts projects
 - Use of the theatre by local amateur & community groups
- Bar and catering services to audiences
- Research & development activity

The Southampton Nuffield Theatre Trust Limited

Trustees report (continued)

4 Achievements and Performance

a Charitable activities

Our key achievements this year include the following

- Production and presentation of live theatre

Nuffield productions

- o Tchaikovsky and the Queen of Spades
- o She Stoops to Conquer
- o Peter Pan
- o The President's Holiday
- o James and the Giant Peach
- o A Play in your House The Lover
- o That Bahamian Ting
- o The Legend of Sleepy Hollow Director's Cut
- o Another Sun
- o Spoonface Steinberg
- o The Legend of Sleepy Hollow
- o Hercules

Visiting companies, platform performances & alternative nights

- o Companies or artists that presented performances
- o COMPANY F Z, TAMASHA THEATRE COMPANY, SHARED EXPERIENCE, FILTER, THEATRE DES BOUFFES DU NORD/YOUNG VIC, SCHANTANHAUS, BLIND SUMMIT THEATRE COMPANY, JEREMY MEADOW, THE IMAGINARY BODY, APPLES AND SNAKES, HEADLONG THEATRE, RIFCO ARTS, AURORA NOVA/DEREVO, AURORA NOVA/COISCEIM, TWO'S COMPANY, MIDDLE GROUND THEATRE COMPANY, PUBLICK TRANSPORT, CHRIS GOODE/JAMES SEABRIGHT, UNPACKED, TEG PRODUCTIONS, BIG STATE THEATRE, HAMPSTEAD THEATRE/ THE OCTAGON BOLTON
- o Jonathan Miller, Jeremy Hardy, Claire Summerskill, Stewart Lee, Punt & Dennis, Sean Lock, Brendon Burns, Mark Watson, Jason Byrne, Russell Howard, and The Comedy Bar
- o Plus 2 full seasons of Saturday morning children's theatre (up to 40 performances)
- o Platform Writers in Southampton

Nuffield work on tour

- o Autumn tour to schools, theatres and arts centres The Legend of Sleepy Hollow and Another Sun
- o Spring tour to schools theatres and arts centres Hercules and Spoonface Steinberg
- o Tour in association with Yellowtail Theatre Autumn – That Bahamian Ting

Use of the theatre by local amateur & community groups

- o Facilities & services provided for 52 performances by 15 different groups

Educational activities, research & development and youth theatre

- o Education & community projects including *Fly Away Pawel*, *Fly Away Piotr* with Southampton's Polish Community, *Parlez-Vous Francais?* a Creative Partnerships project with Redbridge School and Sholing Technological College, and *Science Day* with Bitterne Park Secondary School and the University of Southampton
- o Nationally important Nuffield Writers Group
- o Three age specific youth theatres and Saturday drama club groups
- o Hampshire Youth Theatre 2007 – The Threepenny Opera
- o Teachers' focus group
- o PGCE workshops for 600 teachers and further training for 160 primary school teachers
- o Russian theatre masterclasses for theatre professionals
- o Script Executive services run by John Burgess
- o Regional home for National Connections, the National Theatre's celebration of youth theatre and for artsplan, the in-house training provider for the English National Youth Arts Network

The Southampton Nuffield Theatre Trust Limited

Trustees report (continued)

b Fundraising activities

The foyer capital fundraising was completed and the work is scheduled for summer 2008

The Company's revenue fundraising activities continued satisfactorily this year with new sponsorship relationships developed, and new members joining the Nuffield Business club, as well as funds raised from trusts and donations

c Other matters

Southampton New Arts Complex and City Region Artistic Developments

At the beginning of the year, The Nuffield had just won the tender to establish and run the performing arts in the Southampton New Arts Complex due to open in five years. During the year we focused on the development of this project in partnership with the other 'arts partners' John Hansard Gallery, City Eye, and Art Asia, and with the project team leaders from Southampton City Council. This work included creating fundraising streams, establishing governance and management systems, audience development, communications and PR plans, and the design of the complex itself. We also began to develop the Company in preparation for the changes ahead. To liberate the executive directors from some of their day to day responsibilities, we established a new post of Theatre Administrator, and decided to take on a trainee director from Ovation (the ITV theatre director scheme) in 2008/09. The Administrative Director's job title was changed to Executive Director. A Board awayday focused on company development, and the senior management team planned a number of field trips to theatres that have undertaken similar expansion.

During the year, there were a number of other important cultural developments in the City region which will have an impact on the Nuffield, such as the publication of Southampton Partnership's 2026 vision for the City, the formation of Southampton Heritage and Arts People (SHAPE), and the publication of the Council's draft document outlining its aspiration for Southampton to become an international city of culture. In particular, this year, the Company was actively involved in SHAPE's Cultural Olympiad, communications and education working groups. At the end of the year, a partnership of Hampshire, Portsmouth and Southampton won a bid to run a three year pilot project for Find Your Talent - a government funded programme that aims to deliver 5 hours of quality cultural activities per week for young people aged between 0-19 years. This bid is entitled PUSH4Culture, and the Nuffield will be a key point of delivery for the project. This will further influence the development of our education and community programme in next few years.

Tchaikovsky and the Queen of Spades

Supported by a grant from the Arts Council of £32,000, *Tchaikovsky and the Queen of Spades*, was one of the Nuffield's most ambitious, developmental and exciting projects to date. An Anglo-Russian production developed with a Russian producer and designer and with four Russian actors, this project included a period of research and development in Moscow, translation of the script, creation of a constructivist set design and culminated in performances at The Nuffield in May 2007.

Marketing and Audience Development

Whilst artistically successful, Spring 2007 saw a drop in attendance figures, which we addressed through marketing research and audience development. This led to a new marketing strategy, as well as influencing programming choices in the autumn, and we were delighted that we saw a significant turn around as a result, finishing the year with a surplus of £2,000 and an increase in audiences by 3%.

This year we also joined the ZEPA partnership of companies from northern France and southern England to make a bid for Interreg funding for a four year programme of outdoor partnership work with our continental colleagues as part of our audience development plans in the lead up to opening the new arts complex. Involvement in this project was led and facilitated by Southampton City Council.

The Southampton Nuffield Theatre Trust Limited

Trustees report (continued)

5. Financial review

a Financial position

This year we achieved a net surplus of £2,000 in our unrestricted undesignated reserves, bringing the Company's accumulated surplus to £19,850 at 31 March 2008

Technically the Nuffield does not have any free reserves. Our reserves policy is detailed below

b Reserves policy

The trustees believe that the charity should hold financial reserves because it is dependent on income which is inevitably subject to fluctuation

- 1 reserves are needed to protect the Company, its artistic policy and strategy against temporary variations in Box Office income
- 2 the company is also dependent upon grant funding from year to year, which may be subject to changes in the policies or financial position of funding bodies

The board members believe that the minimum level of the reserves held against Box Office fluctuation in one year should be £50,000. Thereafter, the Company should build a reserve equivalent of six months net operating costs calculated and reviewed annually. Board members believe that these 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

Our initial target is to achieve an accumulated surplus of £50,000 (currently £19,850)

c Principal funding sources

Major grants from Arts Council England, the University of Southampton, Southampton City Council and Hampshire County Council fund the main part of our core work. Front of house trading activities, sponsorship and other public, trust and private fundraising income make up the balance of our funding

Specific ongoing projects and new initiatives are funded by specific additional grants or donations

d Investment policy

Any bank balances not required for current financial commitments are transferred to a high interest deposit account which is regularly reviewed to maximise the interest earned

The Southampton Nuffield Theatre Trust Limited

Trustees report (continued)

6. Plans for future periods

In 2006 we updated our three-year strategic plan to respond to changes in audience tastes and behaviour. However, since being awarded the tender to run the new performing arts organisation in SNAC, the company is now in the process of reviewing its strategic plans and operational structure. A new plan will be developed in 2008/09 to respond to this significant change in the Nuffield's circumstances and direction. This plan will focus on

- development of our role in the City's cultural regeneration plans
- partnership working
- organisational development in preparation for the new arts complex
- audience development for the new arts complex

The key points of the 2006 plan which still remain current are

Aim 1 The delivery and exploitation of our work

Over the last five years we have experimented with the length of runs, the mix of small and mid-scale work, co-production relationships, touring patterns, different age ranges for our participation work and touring schools shows, and presenting theatre in different spaces. We recognise that the manner in which we deliver our work has a profound effect on its ability to attract audiences. Similarly, our shows could be exploited to considerable effect.

Our key objectives for aim 1 for the next three years are to

- Maximise the percentage of the audience capacity at main house shows
- Continue to develop our programme to provide an increase in the number and diversity of productions to enhance the offer for audiences
- Identify a new programme of activities for the late spring and early summer
- Increase our investment in developing future creative projects and artistic partnerships
- Develop practical ways to regularly exploit our work
- Work with Creative Partnerships to develop special projects with key schools
- Respond to the creative impetus to present work in non-theatre settings such as site-specific or promenade performances
- Develop a symbiotic relationship with the University of Southampton and closer links with other training establishments such as the Southampton Institute, The University of Winchester, Nottingham Trent Polytechnic, Bristol Old Vic, and other drama schools

Aim 2 Building and developing our audience

Through a range of different approaches we wish to increase the number of people attending Nuffield productions and work presented at the theatre and to continue to increase the diversity of our audience.

Our key objectives for aim 2 for the next three years are to

- Instigate a sustainable ongoing programme of audience research and feedback
- Build on our success at relationship marketing with different groups in our community
- Respond to the audience desire for different strands of the programme delivered at different scales and in interesting ways and venues
- Continue the Front of House refurbishment to provide a better experience for audiences and participants and to reflect the quality of the theatrical experience
- Continue our Asian audience development programme
- Adopt an in-house audience development system
- Develop the atmosphere of the theatre as a hub of theatrical activity and a vibrant and enjoyable social centre for different groups of people

The Southampton Nuffield Theatre Trust Limited

Trustees report (continued)

Aim 3 Increasing our profile

The Nuffield has sometimes been too quiet about its successes. We wish to build our local, regional, national and international profile to assist in developing audiences, attracting high quality creative teams and artistic collaborators, exploring our work, and increasing our resources.

Our key objectives for aim 3 for the next three years are to

- Build our local and regional profile with audiences groups, with educational establishments (in particular secondary schools and teachers), with stakeholders including Southampton City and Hampshire County Councillors and Officers, and with the business community
- Build our profile within the University of Southampton
- Build our national profile within the theatre community including actors, casting directors and creative teams
- Develop our national and international standing with other theatre producers, potential collaborators and touring companies, tour bookers, potential touring venues and international festivals

Aim 4 Increasing our resources

The Nuffield needs to raise additional income in order to meet its expenditure and particularly in order to achieve the developments of this plan. We are planning to do more artistic work, to exploit our shows, to increase our investment in developing future artistic projects and collaborations, to undertake new marketing initiatives, to invest time in relationship marketing and to build our profile in a range of different contexts. As well as additional income, we need to review our human resources and equipment.

Our key objectives for aim 4 for the next three years are to

- Revisit our staffing structure and training needs to support our increased artistic work, future artistic developments, exploitation of our shows, and fundraising requirements
- Develop the advocacy and fundraising skills of our Board
- Raise additional income, in particular through Trusts and Foundations and private fundraising
- Ensure that our office and technical equipment is satisfactory for the theatre's needs

The Southampton Nuffield Theatre Trust Limited

Trustees report (continued)

Statement of Trustees' 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.

In accordance with company law, as the company's directors we certify that

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware, and
- as the directors of the company we have taken all the steps that we ought to have taken to establish that the charity's auditors are aware of that information

Auditors

The auditors, Fiander Tovell LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

This report has been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Board and signed on its behalf by


Kale Hudson
COMPANY SECRETARY

Date

2 October 2008

The Southampton Nuffield Theatre Trust Limited

Independent auditors report to the trustees for the year ended 31 March 2008

We have audited the financial statements of The Southampton Nuffield Theatre Trust Limited for the year ended 31 March 2008 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 company's members as a body, in accordance with 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 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 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 trustees and auditors

As described in the Statement of Trustees' Responsibilities, the trustees, who are also the directors for the purposes of company law, are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). We report to you our opinion as to whether the financial statement gives 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 Trustees' Report is 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 trustees' remuneration and other transactions is not disclosed.

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 International Standards on Auditing (UK and Ireland) 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.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to small entities, of the charitable company's and group's state of affairs as at 31 March 2008 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. The information given in the Trustees' Report is consistent with the financial statements.

Fiander Tovell

Fiander Tovell LLP (Chartered Accountants and Registered Auditors)

Date 21/06/08

The Southampton Nuffield Theatre Trust Limited
Consolidated statement of financial activities (including income & expenditure account)
for the year ending 31 March 2008

	Note	<u>Unrestricted</u>		<u>Restricted</u>	<u>Total funds 2008</u>	<u>Total funds 2007</u>
		Undesignated £	Designated £	£	£	£
Incoming resources						
Incoming resources from charitable activities						
Operation of producing theatre	5	1,747,133	-	82,345	1,829,478	1,664,968
Incoming resources from generated funds:						
Voluntary income	9	16,661	-	35,496	52,157	61,167
Activities for generating funds	10	15,160	-	-	15,160	28,951
Investment income	11	16,023	-	-	16,023	9,868
		47,844	-	35,496	83,340	99,986
Total incoming resources		1,794,977	-	117,841	1,912,818	1,764,954
Resources expended						
Charitable activities:						
Operation of producing theatre	12	1,758,231	-	84,967	1,843,198	1,690,447
Costs of generating funds:						
Costs of generating voluntary income	13	13,086	-	19,774	32,860	34,317
Fundraising trading cost of goods sold and other costs	13	35,318	-	-	35,318	32,435
		48,404	-	19,774	68,178	66,752
Governance costs	13	38,992	-	-	38,992	40,241
Total resources expended		1,845,627	-	104,741	1,950,368	1,797,440
Net incoming (outgoing) resources before transfers		(50,650)	-	13,100	(37,550)	(32,486)
Gross transfers between funds	22	52,650	17,175	(69,825)	-	-
Net income (expenditure) for the year		2,000	17,175	(56,725)	(37,550)	(32,486)
Reconciliation of funds						
Total funds brought forward		17,850	22,975	702,430	743,255	775,741
Total funds carried forward		19,850	40,150	645,705	705,705	743,255

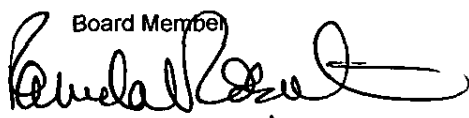
The statement of financial activities includes all gains and losses recognised in the year
All incoming resources and resources expended derive from continuing activities

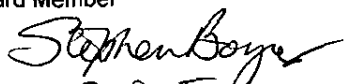
The Southampton Nuffield Theatre Trust Limited
Consolidated balance sheet as at 31 March 2008

	Note	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Fixed assets					
Tangible assets	17	654,579	744,196	654,579	744,196
Investments	18	-	-	2	2
		654,579	744,196	654,581	744,198
Current assets					
Stock	19	2,866	3,313	2,866	3,313
Debtors	20	223,277	129,984	223,277	129,984
Cash at bank and in hand		379,221	180,038	379,221	180,038
		605,364	313,335	605,364	313,335
Liabilities					
Creditors amounts falling due within one year	21	554,238	314,276	554,240	314,278
Net current assets / (liabilities)		51,126	(941)	51,124	(943)
Net assets		705,705	743,255	705,705	743,255
The funds of the charity					
Restricted income funds	22	645,705	702,430	645,705	702,430
Unrestricted income funds					
Designated		40,150	22,975	40,150	22,975
General		19,850	17,850	19,850	17,850
Total unrestricted income funds	23	60,000	40,825	60,000	40,825
Total charity funds		705,705	743,255	705,705	743,255

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 January 2007)

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

Board Member

Date 2/10/2008

Board Member

2 October 2008.

The Southampton Nuffield Theatre Trust Limited

Notes forming part of the financial statements for the year ending 31 March 2008

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards including the Financial Reporting Standard for Smaller Entities (effective January 2007), and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are set out below.

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. There is no indication that the support of the funding bodies will not continue for the foreseeable future.

b) Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiary on a line by line basis. A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 230 of the Companies Act 1985 and paragraph 397 of the SORP.

c) Funds structure

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 below.

d) Incoming resources

Income from charitable activities which includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Income is deferred when

- Admission fees or performance related grants are received in advance of the performances or event to which they relate

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when

- The donor specifies that the grant or donation must only be used in future accounting periods, or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement

Income from commercial trading activities is recognised as earned (as the related goods and services are provided).

e) Unrestricted / Core grants

The regular annual grant funding received from Arts Council England, University of Southampton, Southampton City Council & Hampshire County Council is considered to be the core funding for the charity, and therefore treated as unrestricted income. Any additional grants received from these bodies are usually for specific projects or activities and therefore will usually be restricted income.

Investment income is recognised on a receivable basis.

The Southampton Nuffield Theatre Trust Limited
Notes forming part of the financial statements for the year ending 31 March 2008

1 Accounting policies (continued)

f) Donated services and facilities

Where services are provided to the charity as a donation that would normally be purchased from our suppliers this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity

g) Resources expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable.

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds
- Charitable activities include expenditure associated with the production and presentation of theatrical productions and educational programmes, at the theatre and other venues, and include both the direct costs and support costs relating to these activities
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, as detailed in notes 12 & 13

h) Operating 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 resources expended 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 resources expended on a straight line basis over the life of the lease.

i) Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost.

Tangible fixed assets are depreciated on a straight line basis over their estimated useful lives as follows:

<u>Asset category</u>	<u>Useful life</u>
Motor vehicles	4 - 8 years
Office & catering equipment	3 - 12 years
Theatre equipment	3 - 20 years
Leasehold improvements	9 - 20 years

j) Stock

Stock is included at the lower of cost or net realisable value.

k) Pensions

The charity makes a stakeholder pension scheme available to all staff. In addition, under agreements with Equity and BECTU, the charity makes contributions to the pension schemes of staff who participate in the group personal pension schemes operated by these unions. Pension contributions are charged to the accounts in the period in which they fall due.

Two employees are also members of a defined benefit pension scheme underwritten by the University of Southampton. The assets of the scheme are held and managed separately from those of the charity. Under the exemption permitted by the Charities SORP Update Bulletin 1, published by the Charity Commission in January 2003, the charity is not able to identify readily or cost effectively, on a reasonable and consistent basis each year its share of the overall surplus or deficit for the year and its share of the underlying assets and liabilities of the scheme and hence does not disclose this information in full but accounts for its contributions as if it were a defined contribution scheme. Pension costs charged to the Statement of Financial Activities represent the contributions due by the charity for the year, based on independent actuarial recommendation.

The Southampton Nuffield Theatre Trust Limited

Notes forming part of the financial statements for the year ending 31 March 2008

2 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £100.

3 Related party transactions

a) Executive directors

From time to time the charity makes small loans available to core members of staff. At the balance sheet date a loan balance of £0 (2007: £0) was due from P Sandford, the artistic director, and £600 (2007: £100) from K Anderson, the executive director. The maximum amounts outstanding during the year were £325 and £1,000 respectively. These loans are interest free and repayable on demand.

b) Board members

Unless disclosed in this note, no board member received any emolument or payment for professional or other services during the year or was paid or reimbursed expenses.

c) University of Southampton

A summary of the main financial transactions with the University is set out below.

	2008 £	2007 £
Incoming resources		
Core grant	153,100	144,700
Resources expended - Core costs: Premises & equipment		
Sinking fund	18,088	18,088
Utilities & cleaning	48,827	55,666
Insurance	5,500	5,228
	72,415	78,983

No charge is made for the use of the main theatre building which is provided at a peppercorn rent. This donation in kind is excluded from the financial statements as due to the unique nature of the building and relationship between the Theatre and the University it is not possible to quantify its value.

More information about the relationship with the University is given in the trustees report.

4 Financial activities of the charity

The financial activities shown in the consolidated statement includes those of the charity's wholly owned subsidiary.

A summary of the financial activities undertaken by the charity is set out below.

	2008 £	2007 £
Gross incoming resources	1,912,818	1,764,954
Total expenditure on charitable activities	(1,843,198)	(1,690,447)
Costs of generating funds	(68,178)	(66,752)
Governance costs	(38,992)	(40,241)
Net incoming resources	(37,550)	(32,486)
Total funds brought forward	743,255	775,741
Total funds carried forward	705,705	743,255
Represented by:		
Restricted income funds	645,705	702,430
Unrestricted income funds	60,000	40,825
	705,705	743,255

The Southampton Nuffield Theatre Trust Limited

Notes forming part of the financial statements for the year ending 31 March 2008

5 Income from operation of producing theatre

		Unrestricted	Restricted	Total	Total
		£	£	2008	2007
				£	£
Tickets, programmes & touring	6	540,793	-	540,793	463,912
Other project income		9,140	-	9,140	7,878
Artistic hires		44,150	-	44,150	40,820
Audience trading	7	142,025	-	142,025	123,920
Grants	8	1,011,025	82,345	1,093,370	1,028,438
		1,747,133	82,345	1,829,478	1,664,968

6 Tickets, programmes & touring

		Unrestricted	Restricted	Total	Total
		£	£	2008	2007
				£	£
Nuffield productions					
Main house		268,557	-	268,557	238,250
Studio		3,317	-	3,317	11,358
Touring		48,279	-	48,279	66,345
		320,153	-	320,153	315,953
Other					
Adult visiting companies		114,644	-	114,644	56,722
Alternative nights		36,426	-	36,426	31,751
Kids' Saturday theatre		10,707	-	10,707	10,519
Youth theatres, Drama clubs & Workshops		58,863	-	58,863	48,967
		540,793	-	540,793	463,912

7 Audience & general public trading / Subsidiary undertaking

a) Audience & general public trading

The charity provides a range of food and drink to audiences. This is part of the core operation of the theatre and the income is therefore included as incoming resources from charitable activities.

The charity also sells food and drink to the general public at other times. This income is included as incoming resources from generated funds.

		Unrestricted	Restricted	Total	Total
		£	£	2008	2007
				£	£
Audience trading					
Bar		77,937	-	77,937	66,738
Ices and confectionery		39,713	-	39,713	34,814
Audience food		17,686	-	17,686	16,374
Merchandise		6,689	-	6,689	5,994
		142,025	-	142,025	123,920
General public trading					
General public food		11,581	-	11,581	10,828
		11,581	-	11,581	10,828

The Southampton Nuffield Theatre Trust Limited

Notes forming part of the financial statements for the year ending 31 March 2008

7 Audience & general public trading / Subsidiary undertaking (continued)

b) Subsidiary undertaking

Up to 31 March 2006 all the above activities were carried out by the charity's wholly owned trading subsidiary, Southampton Nuffield Theatre Trading Company Limited

On 31 March 2006 the business and assets of the subsidiary were transferred to the charity which from that date has continued to carry on the trade directly

Southampton Nuffield Theatre Trading Company Limited has not traded since 31 March 2006

	2008 £	2007 £
The assets and liabilities of the subsidiary were:		
Current assets	2	2
Current liabilities	-	-
Total net assets	2	2
Aggregate share capital and reserves	2	2

8 Grants

	Unrestricted £	Restricted £	Total 2008 £	Total 2007 £
Revenue grants				
<i>Unrestricted / Core grants</i>				
Arts Council England	575,566	-	575,566	560,161
Southampton City Council	242,359	-	242,359	237,607
University of Southampton	153,100	-	153,100	144,700
Hampshire County Council	40,000	-	40,000	35,000
<i>Restricted Grants</i>				
Arts Council England – Creative Partnerships	-	-	-	9,020
Arts Council England – Golden Mask	-	-	-	10,000
Arts Council England – Tchaikovsky & Queen of Spades	-	31,949	31,949	-
Arts Council England – French Project	-	11,396	11,396	-
Hampshire County Council – Youth theatre	-	14,500	14,500	14,200
– Property grant	-	-	-	5,000
Portsmouth City Council	-	1,250	1,250	5,000
Hentage Lottery Fund – Polish Project	-	7,750	7,750	7,750
Hants Constabulary/HCC – HBV Project	-	15,000	15,000	-
Other	-	500	500	-
	1,011,025	82,345	1,093,370	1,028,438

9 Voluntary income

	Unrestricted £	Restricted £	Total 2008 £	Total 2007 £
Donations				
General	15,466	18,850	34,316	17,807
Capital appeal	-	16,246	16,246	41,360
Services & assets	1,195	-	1,195	2,000
Project donations	-	400	400	-
	16,661	35,496	52,157	61,167

The Southampton Nuffield Theatre Trust Limited
Notes forming part of the financial statements for the year ending 31 March 2008

10 Income from activities for generating funds

		Unrestricted	Restricted	Total 2008	Total 2007
		£	£	£	£
Sponsorship					
Revenue		2,800	-	2,800	13,166
Friends of Nuffield Theatre		779	-	779	1,455
General public trading	7	11,581	-	11,581	10,828
Other		-	-	-	3,502
		15,160	-	15,160	28,951

11 Investment Income

All of the group's investment income arises from an interest bearing deposit account

12 Charitable Activities

The charity undertakes direct charitable activities only and does not make grant payments

	Theatre productions:				Total
	Nuffield productions	Other productions	Primary trading	Other activities	
	£	£	£	£	£
Direct production costs					
Nuffield productions	521,753	-	-	-	521,753
Other	-	-	-	41,341	41,341
	521,753	-	-	41,341	563,094
Visiting companies & youth theatre	-	222,637	-	-	222,637
Research & development	-	-	-	15,571	15,571
Marketing	99,087	63,055	-	18,016	180,158
FOH trading					
- directly allocated	-	-	93,537	-	93,537
- apportioned	-	-	17,433	-	17,433
Production and front of house					
- directly allocated	37,742	17,927	-	6,088	61,757
- apportioned	157,833	21,044	21,044	10,523	210,444
Touring & projects department	45,396	37,142	-	-	82,538
	861,811	361,805	132,014	91,539	1,447,169
Support costs (note 13)	198,015	138,610	39,603	19,801	396,029
	1,059,826	500,415	171,617	111,340	1,843,198

The charity apportions shared costs between activities on a basis consistent with the use of resources, as shown in the table below -

	Theatre productions:				Total
	Nuffield productions	Other productions	Primary trading	Other activities	
	£	£	£	£	£
	%	%	%	%	%
Marketing	55	35	-	10	100
FOH trading (primary element)	-	-	65	-	65
Production and front of house	75	10	10	5	100
Touring & projects department	55	45	-	-	100
Support costs	50	35	10	5	100

The Southampton Nuffield Theatre Trust Limited
Notes forming part of the financial statements for the year ending 31 March 2008

13 Resources expended including support costs

	Charitable activities (Note 10) £	Voluntary income £	Generating funds £	Govern- -ance £	Total £
Costs directly allocated to activities					
Charitable activities	1,447,169	-	-	-	1,447,169
Secondary trading	-	-	-	-	-
- directly allocated	-	-	5,680	-	5,680
- apportioned	-	-	9,387	-	9,387
Fundraising costs	-	-	-	-	-
- directly allocated	-	20,487	12	-	20,499
- apportioned	-	6,581	6,581	-	13,162
Audit	-	-	-	6,200	6,200
Organisational development	-	-	-	62	62
	<u>1,447,169</u>	<u>27,068</u>	<u>21,660</u>	<u>6,262</u>	<u>1,502,159</u>
Support costs allocated to activities					
<i>Core costs</i>					
Premises & equipment					
Sinking fund	18,088	-	-	-	18,088
Utilities and cleaning	43,944	-	2,441	2,442	48,827
Other	28,976	-	1,610	1,609	32,195
IT	9,957	-	553	553	11,063
Depreciation	93,759	-	-	-	93,759
<i>Admin costs</i>					
Box office	50,761	-	-	2,672	53,433
Management and accounts	74,256	5,304	5,304	21,216	106,080
Other staff costs	27,185	-	1,510	1,510	30,205
Phones, postage and stationery	21,958	488	732	1,220	24,398
Other	27,145	-	1,508	1,508	30,161
	<u>396,029</u>	<u>5,792</u>	<u>13,658</u>	<u>32,730</u>	<u>448,209</u>
Total resources expended	1,843,198	32,860	35,318	38,992	1,950,368

The charity allocates costs directly to activities wherever possible. Certain shared costs including support costs are apportioned on a basis consistent with the use of resources as shown in the table below

	Charitable activities %	Voluntary income %	Generating funds %	Govern- -ance %	Total %
Shared direct costs					
FOH trading (secondary element)	-	-	35	-	35
Fundraising costs	-	50	50	-	100
Support costs					
<i>Core costs</i>					
Premises & equipment					
Sinking fund	100	-	-	-	100
Utilities and cleaning	90	-	5	5	100
Other	90	-	5	5	100
IT	90	-	5	5	100
Depreciation	100	-	-	-	100
<i>Admin costs</i>					
Box office	95	-	-	5	100
Management and accounts	70	5	5	20	100
Other staff costs	90	-	5	5	100
Phones, postage and stationery	90	2	3	5	100
Other	90	-	5	5	100

The Southampton Nuffield Theatre Trust Limited
Notes forming part of the financial statements for the year ending 31 March 2008

14 Analysis of staff costs

	2008	2007
	£	£
Salaries and wages	813,835	804,288
National insurance costs	71,768	73,956
Pension costs	5,120	4,640
	890,722	882,884

No employees had emoluments in excess of £60,000 (2007 nil)

15 Staff numbers

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

	2008	2007
Production	33	33
Administration	17	18
	50	51

16 Net income (expenditure) for the year

Net income (expenditure) for the year is stated after charging (crediting)	2008	2007
	£	£
Depreciation	93,759	109,221
Auditors' remuneration - audit	6,200	6,220

17 Tangible fixed assets - group and charity

	Theatre equipment	Office & catering equipment	Leasehold improvements	Motor vehicles	Total
	£	£	£	£	£
Cost					
As at 1 April 2007	161,301	190,354	1,649,691	37,850	2,039,196
Additions	4,146	-	-	-	4,146
As at 31 March 2008	165,447	190,354	1,649,691	37,850	2,043,342
Depreciation					
As at 1 April 2007	138,831	167,732	950,587	37,850	1,295,000
Charge for the year	7,980	4,698	81,085	-	93,763
As at 31 March 2008	146,811	172,430	1,031,672	37,850	1,388,763
Net book value					
As at 1 April 2007	22,470	22,622	699,104	-	744,196
As at 31 March 2008	18,636	17,924	618,019	-	654,579

As set out in notes 22 and 23, 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

	Theatre equipment	Office & catering equipment	Leasehold improvements	Motor vehicles	Total
	£	£	£	£	£
Restricted - Refurbishment fund	-	-	69,825	-	69,825
Designated - Sponsored assets fund	-	1,775	-	-	1,775
	-	1,775	69,825	-	71,600

The Southampton Nuffield Theatre Trust Limited

Notes forming part of the financial statements for the year ending 31 March 2008

18 Investments - trading subsidiary

		Company 2008 £	Company 2007 £
Shares in group undertaking		2	2
Name	Class of shares	Group interest	Registered England and Wales
Southampton Nuffield Theatre Trading Company Ltd	Ordinary £1	100%	

Up to 31st March 2006 the principal activity of the Southampton Nuffield Theatre Trading Company Ltd was the provision of bar and catering services at the Nuffield Theatre, Southampton

From 1st April 2006 these services were provided by the charity itself and the Southampton Nuffield Theatre Trading Company Ltd was dormant

19 Stock

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Front of house	2,866	3,313	2,866	3,313

20 Debtors

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Trade debtors	14,468	17,064	14,468	17,064
Other debtors	172,626	57,228	172,626	57,228
Prepayments and accrued income	36,183	55,692	36,183	55,692
	223,277	129,984	223,277	129,984

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

21 Creditors: amounts falling due within one year

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Trade creditors	162,291	27,187	162,291	27,187
Tax and social security costs	15,761	21,073	15,761	21,073
Other creditors	16,996	4,259	16,996	4,259
Accruals	281,888	194,384	281,888	194,384
Deferred income	77,302	67,373	77,302	67,373
Amount due to subsidiary undertaking	-	-	2	2
	554,238	314,276	554,240	314,278

Deferred income comprises.

	2008 £	2007 £
Advance ticket sales	46,667	35,538
Grants for future productions or periods	30,635	31,835
	77,302	67,373

All brought forward amounts were released to incoming resources during the year

The Southampton Nuffield Theatre Trust Limited

Notes forming part of the financial statements for the year ending 31 March 2008

22 Restricted income funds

	Fund at 1 April 2007 £	Incoming resources £	Resources expended £	Transfers £	Fund at 31 March 2008 £
Refurbishment fund	658,732	-	-	(69,825)	588,907
Capital project	25,106	16,246	19,774	-	21,578
Audience development	10,842	-	-	-	10,842
Tchaikovsky & Queen of Spades	-	31,949	31,949	-	-
Youth theatre	-	14,500	14,500	-	-
Education	-	1,250	1,250	-	-
Heritage Lottery Fund	7,750	7,750	15,500	-	-
Snipe Charitable Trust	-	5,000	-	-	5,000
Prince's Foundation - Arts & Kids	-	9,850	5,472	-	4,378
French Project	-	11,396	11,396	-	-
Hants Constabulary/HCC - HBV Project	-	15,000	-	-	15,000
Other (3 funds)	-	4,900	4,900	-	-
	702,430	117,841	104,741	(69,825)	645,705

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).

The capital project represents grants and donations towards the "Nuffield Appeal", a fundraising project to raise money towards the cost of refurbishing the foyer. Expenses incurred are deducted from the fund.

The audience development fund is a specific grant from Arts Council England to fund work in developing the audience from the South Asian community. The remaining balance is expected to be used on projects during the next financial year.

The Tchaikovsky & Queen of Spades fund is a grant from Arts Council England to fund an artistic collaboration with a team of Russian creative partners.

The youth theatre fund is a specific grant from Hampshire County Council towards the theatre's youth programme.

The education fund represents money received from Portsmouth City Council towards the theatre's educational work.

The Heritage Lottery Fund was a specific grant to fund the project *Fly Away Pawel, Fly Away Piotr* which involved participants from Southampton's Polish community.

The Snipe Charitable Trust fund is a donation received in October 2007, to be used for future creative projects.

The Prince's Foundation - Arts & Kids fund is donations received in November 2007 and March 2008, to be used for productions and workshops for young people.

The French Project fund is a specific grant from Creative Partnerships, to fund an artistic collaboration with a team of French creative partners.

The HBV Project is specific funding from Hants Constabulary and Hampshire County Council, received in March 2008, for an artistic project in 08/09 on the theme of Honour Based Violence.

The Southampton Nuffield Theatre Trust Limited
Notes forming part of the financial statements for the year ending 31 March 2008

23 Unrestricted income funds

	<u>Designated funds</u>		<u>General fund</u>	<u>Total</u>
	<u>Sponsored assets</u>	<u>Future assets</u>		
	£	£	£	£
Fund at 1 April 2007	15,975	7,000	17,850	40,825
<u>Movements in designated funds</u>				
Sponsored assets fund - annual depreciation	(1,775)	-	-	(1,775)
Future assets fund - transfer	-	18,950	-	18,950
<u>Movements in general fund</u>				
Surplus (Deficit) for the year	-	-	(50,650)	(50,650)
Restricted depreciation transfer 23	-	-	69,825	69,825
Sponsored assets fund - annual depreciation	-	-	1,775	1,775
Future assets fund - transfer	-	-	(18,950)	(18,950)
Net movements during the year	(1,775)	18,950	2,000	19,175
Fund at 31 March 2008	14,200	25,950	19,850	60,000

Sponsored assets fund - designated

The sponsored assets fund was set up to pay for future depreciation on fixed assets that are acquired either as donated assets or as part of a sponsorship arrangement

In the year that a new sponsored asset is acquired an amount equal to the full asset value is transferred from general funds into the sponsored assets fund. Over the useful economic life of the asset the fund is then used to "pay for" the depreciation on the asset, and an annual depreciation transfer is made from the fund back into general funds

Future assets fund - designated

The Future assets fund was created to set aside funds for significant future capital expenditure (for example a replacement touring van, computer equipment, etc.)

24 Analysis of group net assets between funds

		<u>Fixed assets</u>	<u>Net current assets/ (liabilities)</u>	<u>Total</u>
		£	£	£
<u>Restricted income funds</u>	22			
Refurbishment fund		588,907	-	588,907
Capital project		-	21,578	21,578
Other funds (see note 22)		-	35,220	35,220
		<u>588,907</u>	<u>56,798</u>	<u>645,705</u>
<u>Unrestricted income funds</u>	23			
Designated funds		14,200	25,950	40,150
General fund		51,472	(31,622)	19,850
		<u>65,672</u>	<u>(5,672)</u>	<u>60,000</u>
		<u>654,579</u>	<u>51,126</u>	<u>705,705</u>

25 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 £21,250, is determined by 3-yearly rent reviews the most recent of which was carried out on 24th June 2005.