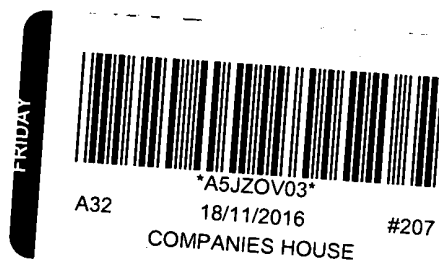


Charity Registration No. 286876  
Company Registration No. 01711502 (England and Wales)

THE SOUTHAMPTON NUFFIELD THEATRE TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016



**THE SOUTHAMPTON NUFFIELD THEATRE TRUST**  
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**Chairman's Statement**

The Board has pleasure in presenting its Annual Report and the Financial Statements for the year ending 31 March 2016.

2015/16 was an important year for the development of Nuffield's national profile. The company produced three world premieres during the year and transferred its highly acclaimed production of Caryl Churchill's *A Number* to the Young Vic Theatre in London, where it played to sold out audiences and rave reviews. The year also saw Nuffield's commitment to high quality design recognised when it won Best Design for *The Hudsucker Proxy* at the UK Stage Awards.

The construction programme on Studio 144 (the Trust's new venue in the centre of Southampton) was delayed during the year, meaning that Nuffield will now not open that space until Autumn 2017. Although frustrating, the Trust has used the opportunity to consolidate and develop its plans across both sites, in particular focusing on the specific but complementary identities that each will have and building a multi-artform programme designed to appeal to a wide demographic. The Trust gratefully recognizes the continuing support of Arts Council England (ACE), Southampton City Council (SCC) and the University of Southampton (UoS), as well as several private trusts and foundations, and a growing number of individual friends, members and patrons.

The Trust has continued to work towards building greater financial stability and to reduce reliance on statutory funding; successful efforts have already been made over the year to increase box office income, with a 12% increase achieved from the same period in the last year. This will remain a focus of the new business plan.

Chris Edwards (Chairman)

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**REFERENCE AND ADMINISTRATIVE INFORMATION**

|                               |   |
|-------------------------------|---|
| Charity name                  | The Southampton Nuffield Theatre Trust                          |
| Registered & principal office | The Nuffield Theatre<br>University Road<br>Southampton SO17 1TR |
| Charity registration number   | 286876  |
| Company registration number   | 01711502  |

**Board Members / Trustees / Directors**

The Board Members constitute Directors for the purposes of the Companies Act 2006 and Trustees for the purposes of charity law. The Board Members at the date of this report and those who served during the year were:

**Ex-Officio Board Members:**

|                               |  |
|-------------------------------|--|
| Stephen Barnes-Andrews (Cllr) | Southampton City Council (SCC) resigned 22 June 2015     |
| Derek Burke (Cllr)            | Southampton City Council (SCC)                           |
| Satvir Kaur (Cllr)            | Southampton City Council (SCC) appointed 21 October 2015 |
| Christopher Carter (Cllr)     | Hampshire County Council (HCC)                           |
| Ros King                      | University of Southampton (UoS)                          |

**Elected Board Members:**

|                             |                       |
|-----------------------------|-----------------------|
| Christopher Edwards - Chair |                       |
| Peter Benson LVO FCA        |                       |
| Anthony Dean                |                       |
| Adrian Jackson              |                       |
| Helen Keall                 |                       |
| Jeremy Meadow               |                       |
| Maria Mills                 | Resigned 15 June 2016 |
| Edward Rothead              |                       |
| Jon Ward                    |                       |

**Executive Team delegated with day to day management:**

|                |                            |
|----------------|----------------------------|
| Sam Hodges     | Director & Chief Executive |
| Caroline Routh | Company Secretary          |

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**Bankers**

NatWest Bank  
12 High Street  
Southampton  
SO14 2BF

**Auditors:**

Fiander Tovell LLP  
Stag Gates House  
63-64 The Avenue  
Southampton  
SO17 1XS

**OBJECTIVES AND ACTIVITIES**

*Charitable Objects and Public Benefit*

The objects of the Trust, 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."

The Trust considers it fulfils the requirements of charitable purpose and public benefit as set out in the Charities Act 2011. In planning its objectives and activities for the year the Trust reviews Charity Commission guidance on public benefits including fee charging and accessibility of the theatre and its activities for those on low incomes. The Trust also considers the educational benefits of its activities and the development of artistic appreciation.

*Mission*

The Trust is a dynamic theatre company combining its core values: trust, rigour, innovation, quality and openness. It aspires to be nationally acclaimed for bold, distinctive productions created by the best rising talent in the country, regionally renowned for its commitment to artist development and locally loved as a creative catalyst in the city of Southampton.

*Aims*

The Trust aims to:

1. make distinctive work with a bold, fresh and imaginative approach
2. engage wide-ranging and diverse audiences and participants reflecting its community
3. be at the forefront of cultural development in Southampton, making work for and inspired by the city and the region
4. have a national reach, helping shape the future of theatre
5. be a leader in artist development, nurturing and investing in creative talent
6. be a company of choice to work for, valuing a strong and supported work-force
7. create and maintain sustainable ways of operating

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Nuffield encourages the arts by creating work of the highest possible quality that finds new imaginative ways of telling stories and connecting with people. By investing in artist development it also brings new voices into that process, enabling others to find their own creative approaches. Nuffield looks to push boundaries – both regionally and nationally – so that theatre continues to develop and finds new ways of making the arts constantly relevant to and valuable in individuals' lives.

Nuffield's Connect programme enables the Trust to engage with a still wider audience and to encourage that audience to become active participants in the arts. In particular the programme reaches out to formal education establishments, providing opportunities for theatre and the arts to be embedded into learning processes.

Nuffield invests in its staff and in its financial and management structures in order to ensure that theatre commitments can be delivered year on year. The Trust derives great benefit from its volunteers, who play a key role in the delivery of the artistic programme, providing front of house support at all performances. The Trust also benefits from a Volunteer Membership Secretary who works one day a week in the Development team, building Nuffield's friends' and members' schemes.

Specific strategies for the delivery of these aims include:

- A focus on high quality design across all productions;
- Working with leading arts practitioners from around the country;
- Investment in a Laboratory programme, creating a variety of ways through which artists can be supported in their career development;
- Building partnerships within Southampton to enable Nuffield to play a leading role in shaping cultural strategy;
- Implementing a new audience development strategy to retain and grow core local audiences at the same time as diversifying the existing audience base and building audiences for the new arts complex;
- Delivering a year round programme of activity for children and young people;
- A commitment to a Creative Case for Diversity, ensuring that the Trust's work genuinely reflects its communities;
- Working towards Investors in People.

The success of these strategies is measured in a variety of ways, and as appropriate:

- National and regional reviews of productions;
- Numbers of artists worked with over a year, and tangible evidence of career progression such as a new commission or tour;
- Growth of specifically identified audience segments;
- Geographical reach of participatory programme;
- Levels of staff retention;
- Levels of financial reserves;

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- Levels of diversity seen on stage, as against previously set targets.

## **ACHIEVEMENTS AND PERFORMANCE**

Nuffield ended 2015/16 with a clear overall vision for how its artistic programme would be delivered across its two sites and with a strategy for delivering a multi-artform programme for both audiences and participants. Plans were in place for an increased youth theatre offer, putting that at the heart of the new building, and these sat alongside an engagement strategy to diversify membership.

The Trust continued to co-produce with leading theatres across the country – Liverpool Everyman and Playhouse, Bristol Old Vic, Complicite, Royal & Derngate – delivering high production values and increased national profile. Each production provided a tailored participatory programme alongside it, which helped contribute to the overall growth in audiences over the year.

Nuffield remained on track with its organisational and financial development, designed to support the realisation of its long term ambitions across two sites. Of particular note, significant staff restructuring took place and reserves were built up to limit the risks attached to the running of the new building.

Delays to the new building remain a challenge to the Trust and the achievement of its objectives; however, a significant mitigating factor is that Nuffield already runs a full programme of activity from its current building and will continue to do so.

Nuffield's main achievements over the year included:

- Winning Best Design for *The Hudsucker Proxy* at the UK Stage Awards;
- Transferring *A Number* to the Young Vic Theatre in London for a sold out, critically acclaimed run;
- Producing three world premieres during the year;
- Increasing audience numbers at home by 17% and increasing audiences away from home by 10%;
- Building reserves of just over £400,000 to support the opening of the new building;
- Completing a full staff restructure, and establishing a new Executive Team to lead the organisation into its two site operation

Nuffield remains committed to ensuring that its programme of work can be accessed by as wide and diverse an audience base as possible; in 2015/16 this was supported by:

- Making it possible for more people to attend performances through the development of accessible pricing structures, including £10 tickets for all previews and the continuation of a local resident £8 ticket offer. The Trust also introduced a funded, free ticketing scheme which provided over 1,000 disadvantaged groups and schools in low income areas the opportunity to attend a theatre performance free of charge.

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- Securing funding from the Children & the Arts 'START' programme to offer free workshops, tours and tickets for 475 children and young people from schools in areas of low income and low engagement.
- Training all Nuffield front of house and box office staff in autism awareness and working with Autism Hampshire to create a free to download visual story for the Trust's Christmas production
- Creating a number of new entry points to engagement through a wider range of activities and an expanded core youth and community programme, including post-show Q&A's, schools tours, workshops and backstage tours.
- Delivering a number of workshops, in collaboration with the Saints Foundation, to young people at risk.
- Introducing Connect Academy, a high-value, low cost subscription agreement between local secondary schools and Nuffield providing flexible quality engagement programmes throughout the year.
- Working through Artsmark to support and create work with 11 local schools.
- Launching a new "Self-Starter" programme – funded by the Esmée Fairbairn Foundation - to support local producers, curators and entrepreneurs in their careers with opportunities to create bespoke events in Studio 144.

## *Programme of Activity*

### Theatre Productions for 2015/16:

#### **The Hudsucker Proxy**

The world premiere of a brand new adaptation of the Coen Brothers film, adapted and directed by Simon Dormandy, marking the first time a Coen Brothers film had ever been staged. The production was co-directed by Toby Sedgwick and the designers were Dick Bird, Timothy Bird and Paul Keogan, who were jointly awarded Best Design at the UK Theatres Awards. The production was co-produced with Liverpool Everyman and Playhouse and Complicite were associate partners.

*'Far from simply retreading familiar ground, this brilliantly designed adaptation highlights the Coens' debt to 1920s American theatre'.*

★★★★ Guardian

#### **A Number**

A transfer to the Young Vic theatre in London for the critically acclaimed 2014 production, marking the first London transfer under its new management, before returning to the Nuffield for a short run. The production was directed and designed by Nuffield associates, Michael Longhurst and Tom Scutt. It played to sold-out houses in London and received an array of 4 and 5 star reviews.

*"A Number takes a basic encounter between father and son and, in 50 minutes, spins out into the most profound moral and philosophical territory ... Short, sharp and unsettling."*

★★★★ Financial Times



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*"Tom Scutt's design is a triumph in this punchy revival of Caryl Churchill's examination of the terrible possibilities of science" ★★★★★ Evening Standard*

**The Glass Menagerie**

A revival of the Tennessee Williams classic, *The Glass Menagerie*, starring Belinda Lang as Amanda Wingfield and Danny Lee Wynter as Tom Wingfield. The production was directed by Nuffield Director Sam Hodges, marking his debut production for the Trust, and designed by Ultz. Supporting the Trust's aims to create innovative work with a strong emphasis on design, the production transformed the theatre auditorium into a technical rehearsal, with the role of narrator in amongst the audience.

*"A mesmerising revival ... Brilliantly inventive flourishes ... Highly recommended"*

★★★★★ The Telegraph

*"Hodges does an impressive job and his production is illuminating ... It throws its themes of shattered dreams and disappointment into heartbreaking relief"*

★★★★★ The Stage

*"[An] all-encompassing production ... As a piece of theatre it's gloriously compelling."*

★★★★★ WhatsOnStage

**Merlin**

A new adaptation of the classic Arthurian myths by Ella Hickson and Oliver Birch, with music by BAFTA nominated composer Rob Castell. The production was directed by Liam Steel and designed by Yannis Tavoris. This production was co-produced with the Royal & Derngate, Northampton as part of a two year project which included the 2014 Christmas show *The Snow Queen*.

*"Totally Magical" ★★★★★ The Stage*

**The Massive Tragedy of Madam Bovary**

In April 2016, a new adaptation of Flaubert's *Madame Bovary* by comedy troupe Peepolykus, starring Emma Fielding in the lead role, was co-produced with Liverpool Everyman and Playhouse, Bristol Old Vic, and Royal & Derngate, Northampton. The production was directed by Liverpool artistic director, Gemma Bodinetz, and designed by Conor Murphy.

*"Breathlessly energetic" ★★★★★ The Stage*

*"The play is brilliant. It's funny, sad, gripping and thoughtful." Huffington Post*

**Nuffield Youth Productions:**

The main annual youth productions included both parts of *His Dark Materials* for Nuffield Youth Theatre and both parts of *Henry IV parts 1 and 2* for Hampshire Youth Theatre, in a new adaptation by Robin Belfield. Both productions were directed by Max Lindsay, Nuffield's Youth Director.

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*"An epic trilogy that has been brilliantly transformed by the cast and crew of the Nuffield Youth Theatre" The Edge on His Dark Materials*

*"A vibrant adaptation of the Bard's classic" The Edge on Henry IV*

Other activity during the year:

The last year saw the rapid growth of Laboratory, Nuffield's artist development programme. The Laboratory Associate scheme, which gave 4 emerging artists (director/set designer/lighting designer/sound designer) the opportunity to assist on professional Nuffield productions and form a peer-to-peer company, with which to create a new work-in-progress, was piloted to great success. This resulted in a further 3 year grant from the Esmée Fairbairn Foundation to expand the scheme to include a trainee producer and launch a new 'Self-Starter' programme designed to encourage emerging local producers, curators and entrepreneurs with opportunities to create bespoke events in Studio 144.

Laboratory also programmed 4 Experiments - a quarterly scratch performance night in Nuffield Kitchen - at which 16 artists had work performed. Nuffield also programmed 4 Tenancies (artist residencies), 4 Grapevines (networking nights), and 6 Playdates (play-reading evenings). With escalation at the heart of Laboratory, it was particularly rewarding to see writer Felix Legge develop his piece, *St Jowan's Tide* from September's Experiment through to undertaking a Tenancy in December. From the development opportunities offered by Nuffield, the piece has now been programmed by the Park Theatre in London.

The Trust continued its commitment to attracting the country's leading theatre companies to Southampton with critically acclaimed productions including the Royal Court's *Constellations*, Sheffield Theatre's *A Raisin in the Sun* and Little Bulb's *Orpheus*. The Trust also continued with its regular programme of children's work during school holidays including Roald Dahl's *The Witches* and Hackney Empire's *Silver Sword*.

Following on from the successful Associate Artist events with Tom Hiddleston and Celia Imrie in 2014, BBC South's Sally Taylor hosted a Downton Abbey-themed fundraiser, *An Evening with Samantha Bond and Laura Carmichael*, with questions taken from the audience.

A well-attended public consultation event was held in the theatre, during which a series of facilitated conversations were had around the building about the future of the arts in Southampton and the possible ways in which Studio 144 might be used.

Laboratory Associate director Anthony Lau, who also assisted on *The Glass Menagerie*, opened his show-in-development, *Juicy and Delicious*, a collaboration with the Laboratory Associate Designers, which played over 3 nights to responsive audiences.

Over the year, Nuffield grew attendance to in-house productions in Southampton by 17% to 23,281, up from 19,819 in 14/15. A further 33,457 people were reached through tours, transfers and co-productions, an increase of 10% up from 30,432 in 14/15. Of these figures, the number of under-18's attending the theatre increased to 1,419 up from 329 in 14/15.

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The Trust increased its box office by 15% over the year – from a figure of £467,000 in 2014/15 to £539,000 in 2015/16. It also increased its bar and catering turnover from £151,000 to £165,000 – an increase of 10% - whilst decreasing direct costs by 13%.

Through its year round programme of workshops and projects, Nuffield reached 17,709 participants via a total of 479 sessions. The Trust increased the number of workshops available to schools, providing 11 across the year reaching 628 people, up from 4 workshops reaching 139 participants in 2014/15.

The Hampshire Youth Theatre worked with 3,402 participants across 55 sessions.

Attendance for post-show Q&A's grew from 180 attendees in 2014/15 to 536 attendees in 2015/16.

Nuffield's Laboratory programme ran 4 Experiments - a quarterly scratch performance night - which showcased the work of 16 emerging artists. In addition it offered 4 funded artist residencies and ran 10 networking and development events for regionally based artists.

Nuffield continued to build its fundraising relationships and support. Key successes in the year which will see income recognised in the financial statements in subsequent years included the award of a grant of £145,000 over three years from the Esmée Fairbairn Foundation to support the Laboratory department's Artist Development programme; and £154,020 from Arts Council England Small Capital Grants scheme to provide new seating for Studio 144, enabling a truly flexible performance space. A £100,000 grant spread over three years from the Barker Mill Foundation also contributed a further £33,000 income towards the Trust's engagement programme.

Towards the end of the year, Nuffield re-launched a new friends and members' scheme with a focus on significantly building membership in advance of the move to the new building.

In the course of the year Nuffield completed a significant staffing restructure to enable the Trust to take on the increased programming and financial responsibilities of running two venues. The recruitment of a highly experienced Executive Director – a new role designed to provide a strategic partnership with the Director in leading the larger and more complex organisation – has proved instrumental in the delivery of the Trust's strategic long term vision and objectives. This has been supported by an expanded Executive Team – Finance Director, Director of Development and Communications and Director of Production – and has enabled Nuffield not only to adapt quickly and effectively to the changes necessitated by the construction programme on its new building but to put in place a robust and ambitious programme for its future, backed by detailed financial and commercial planning.

Nuffield was invited to be one of only four hosts for the biennial Linbury Prize for set design. This award recognised Nuffield's commitment to high quality design and in so doing raised the company's national industry profile; it has allowed the company to continue to attract designers of the highest quality to work with it and also laid the foundation for a specific grant to support an enhanced design of the 2016/17 Christmas production *Fantastic Mr Fox*.

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It had been planned that the Trust would open its new building in the autumn of 2016. However during 2015/16 further delays to the construction programme made it clear that this would not be the case; the scheduled opening is now autumn 2017. This delay has meant that projected earned income growth is now running a year behind plan and the Nuffield has also lost six months' worth of a significant hire. Work is now in-hand to ensure that a full artistic programme is delivered in the existing theatre, up to the revised handover date.

In 2015/16 an application was made to Hampshire County Council to support the 2016/17 version of the Hampshire Youth Theatre; the council was only able to award half the amount it had previously given, with a full cut indicated for subsequent years. Although some alternative funding was secured, the 2016/17 version of the project is significantly different from previous years – particularly in the scale of the productions achieved previously – and if the cut is maintained it is likely that this element of the Trust's programme will not be able to be delivered at all.

#### **FINANCIAL REVIEW**

##### **a. Financial position**

The financial results, as in the previous year, continued to be influenced to a significant degree by the costs of planning and implementing the changes required to enable the Trust to become responsible for running the Theatre in tandem with the new theatre spaces being developed in the arts venue in the centre of Southampton. This venue is now expected to open in September 2017.

In the meantime there was an encouraging 15% increase in box office income at the theatre in the year although the overall percentage of seats sold of 47% remains below the long term target of 65%. Production costs have also risen by 11% as the Trust increases the scale and number of its own productions; this is a significant increase but the impact of these costs on the bottom line is being lessened through the Trust securing investment from a higher number of co-producing partners.

Thus, whilst the final operational result for the year showed an apparently healthy surplus (£283,000), as compared to a small deficit (£12,000) in the previous year, the underlying figures make it clear that the theatre remains reliant to a greater extent upon public funding to ensure financial stability than the Trustees consider to be sustainable in the longer term, most particularly once the new arts venue is fully operational.

In the immediate future continuing efforts thus have to be made to increase box office income and other sources of earned income whilst reducing the quantum of production costs, such that the current degree of dependence of the theatre, and in due course the new arts venue, upon this public funding can be demonstrably reduced. The Trustees are determined swiftly to achieve this aim. In that context it is believed that over time significant opportunities for greater income generation from the new theatre spaces within the arts venue are likely to emerge.

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There was a marked drop in private grant and donation funding in the year (£70,000 as against £271,000 in the previous year); however, this was accounted for by the fact that in 2014/15 a large one off grant was received in respect of capital works; something which would not be expected to reoccur on an annual basis. In general fundraising remains on target.

The summarized Income and Expenditure Account reflecting these results is set out below:

|  | <b>2015/2016</b>  | <b>2014/2015</b>   |
|--|-------------------|--------------------|
|  | <b>£'000</b>      | <b>£'000</b>       |
| Box office income                      | 539               | 467                |
| Production costs                       | <u>(787)</u>      | <u>(711)</u>       |
|  | (248)             | (244)              |
| Co-production income                   | <u>145</u>        | <u>114</u>         |
|  | (103)             | (130)              |
| Public subsidy & grant funding         | 1,650             | 1,523              |
| Private grant & donation funding       | <u>70</u>         | <u>271</u>         |
|  | 1,720             | 1,794              |
| Other income                           | <u>415</u>        | <u>328</u>         |
| Total income (net of production costs) | 2,032             | 1,992              |
| Expenditure (net of production costs)  | <u>(1,740)</u>    | <u>(1,657)</u>     |
| Net income for year                    | 292               | 335                |
| Less capital element of grant funding  | <u>(9)</u>        | <u>(347)</u>       |
| Operational result for year            | <u><u>283</u></u> | <u><u>(12)</u></u> |

**b. Reserves policy**

It remains the Trustees' intention, as soon as circumstances permit, to build and maintain general reserves to a figure which represents a minimum three months' operating expenditure. The Trust currently holds a four month reserve (£400,000); this has been specifically created with the intention of supporting the business in its growth period in the new building and so it is anticipated that this will become depleted over 2017/18 and 2018/19. It is intended that the level of reserves retained beyond that point should not dip below £100,000.

The Trust is budgeting to set aside a sum of £40,000 per annum towards reserves from 2019/20. This should result in required levels of reserves being achieved by the end of 2023/24.

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Amount of total funds held: £1,070,000

Amount of restricted funds: £593,000

Amount of designated funds: £57,000

Amount of reserves: £420,000

**c. Principal funding sources**

Major grants from ACE, UoS, SCC and HCC fund the main part of the core work. Front of House trading activities, sponsorship and other public and private fundraising income make up the balance of the funding. Specific ongoing projects and new initiatives are funded by particular grants or donations.

**d. Investment policy**

Any bank balances not required for current financial commitments are transferred to interest bearing deposit accounts that are regularly reviewed to maximise the interest earned.

**e. Principal risks and uncertainties**

Nuffield's principal financial risk lies in the uncertainties of the operation of the new venue. As an entirely new build the running costs can only be estimated at this point; in addition the increase in programme will require an increase in audiences and box office which, if not achieved, will adversely affect the bottom line.

In order to mitigate these risks Nuffield has carried out detailed financial planning on running costs, benchmarking against theatres of similar scale and operation as well as taking advice from the construction consultants. A prudent approach has been taken in the budgets, with contingency being built in on a number of different levels and with specific savings already identified to be implemented at such point as costs start to inflate. The Trust will not commit to the lease of the new building until clarity has been achieved with relation to service and maintenance charges and those costs successfully incorporated into annual budgets.

Box office income remains a risk – even in the current building – as audiences are difficult to predict, but indications are currently strong. The Trust has achieved a 60% growth in advance ticket sales since the identical point in the previous year and this upwards trend continues to be maintained into 2016/17.

**PLANS FOR FUTURE PERIODS**

*Artistic plans for 2016/17 and 2017/18*

**Productions for 2016/17**

A revival of the Michael Frayn play, *Noises Off*, directed by Nuffield Associate Blanche McIntyre and designed by Robert Innes Hopkins, was co-produced in June 2016 with Nottingham Playhouse and Northern Stage.

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The production broke box office records for any home production, outside of Christmas shows, since the theatre was founded in 1964.

The Hampshire Youth Theatre has been redesigned, due to funding cuts and new strategic aims, into a county-wide devised project, *Slingshot*, in conjunction with physical theatre company, Frantic Assembly.

In September 2016, Nuffield director Sam Hodges has directed a new play, *Dedication*, by Nick Dear, which investigates the relationship between William Shakespeare and the 3<sup>rd</sup> Earl of Southampton. The production will be designed by Alex Lowde.

The 2016 Christmas production will be a new adaptation of Roald Dahl's *Fantastic Mr Fox*, by Sam Holcroft, with music by Arthur Darvill. The co-production with Leicester Curve will be directed by Maria Aberg and designed by Nuffield Associate Tom Scutt and is set to transfer to the Lyric Hammersmith in London, ahead of a national and international tour.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **a. Constitution and governing document**

The Southampton Nuffield Theatre Trust (The Trust) is constituted as a Company limited by guarantee and is a registered charity governed by its Memorandum and Articles of Association.

### **b. The organisational structure of the Trust and how decisions are made**

The Trustees acting as a Board manage the affairs of the Trust. The Board meets at least four times each year.

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

The Ex-officio Members are appointed by UoS, SCC and HCC.

The Director is sole Chief Executive. Trustees devolve the day to day running of the Trust to the Chief Executive.

The Board has two standing committees, responsible for Finance and Audit and Human Resources. In addition, there is a Governance Committee that is constituted and meets as required.

#### **Finance and Audit Committee**

Maria Mills (Chair)

Peter Benson

Christopher Edwards

Jeremy Meadow

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Human Resources Committee  
Edward Rothead (Chair)  
Helen Keall  
Jon Ward

c. Recruitment and appointment of new Board Members

The Board reviews the skills and experience of its members to ensure that it retains an appropriate level and range of expertise. Members are recruited by an open process including public advertisement. Additionally, the Board may co-opt new members temporarily until the next Annual General Meeting when they are eligible for formal appointment to the Board. Board members are elected for a period of three years, after which they may stand for appointment for a further three years. On expiry of this second period the Board Member will not be eligible for re-appointment for two years.

The UoS and HCC each have the power to appoint one Ex-officio Board Member, and SCC 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 induction support from the Trust's management. Additionally, new and existing Board Members are invited to regular away days and are frequently briefed about professional theatre practice and other relevant topical issues.

e. Remuneration of key management personnel

The Trustees are responsible for approval of the framework for pay, the Terms and Conditions and other employment policies and regulations. Proposals for annual pay awards or changes to the pay structure are brought by the executive to the Trustees.

The Chair leads negotiations with the CEO regarding contract and remuneration, and these are approved by the full Board.

The current pay structures have been industry benchmarked against theatres of similar scale and output.

f. Related parties

The related parties of the Trust include all the Board Members together with the UoS, SCC and HCC which nominate the Ex-officio Board Members.



**THE SOUTHAMPTON NUFFIELD THEATRE TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2016**

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*University of Southampton*

The Trust runs the Nuffield Theatre building which is owned by UoS and leased to The Southampton Nuffield Theatre Trust at a peppercorn rent. UoS is also one of the Trust's stakeholders through an annual grant.

*Hampshire County Council*

The Trust is the recipient of an annual grant from HCC, on account of its work in the wider region.

*Southampton City Council*

The Trust is the recipient of an annual grant from SCC as part of a three year agreement, re-negotiated and reported on for each quarter.

*Arts Council England (ACE)*

The Trust is the recipient of grants under a three-year funding agreement as part of ACE's National Portfolio. ACE's National portfolio organisations (NPO) represent some of the best arts practice in the world, and play a vital role in helping ACE meet its mission. ACE is invited to attend meetings of the Board as an observer.

**g. Risk management**

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

The Trustees (who are also directors of The Southampton Nuffield Theatre Trust for the purposes of Company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare Financial Statements for each financial year, which give a true and fair view of the state of affairs of the charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the charitable Company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charitable Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable Company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is 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 accounting policies set out in note 1 to the Financial Statements and comply with the charity's Memorandum and Articles of Association, the special provisions relating to small companies within Part 15 of the Companies Act 2006, and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (issued in July 2014).

Approved by the Board on 25/10/16 and signed on its behalf

by:



Christopher Edwards (Chair)

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF THE SOUTHAMPTON NUFFIELD THEATRE TRUST**

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We have audited the financial statements of The Southampton Nuffield Theatre Trust for the year ended 31 March 2016 set out on pages 19 to 39. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable 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 auditor**

As explained more fully in the statement of trustees' responsibilities set out on pages 15-16, the trustees, who are also the directors of The Southampton Nuffield Theatre Trust for the purposes of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF THE SOUTHAMPTON NUFFIELD THEATRE TRUST**

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- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.


**Opinion on financial statements**

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 2016, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Catherine Revis FCA (Senior Statutory Auditor)  
For and on behalf of Fiander Tovell LLP

Fiander Tovell LLP  
Chartered Accountants  
Statutory Auditor  
Stag Gates House  
63/64 The Avenue  
Southampton  
Hampshire  
SO17 1XS

Dated: .....11/11/16.....

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING**  
**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)**

**FOR THE YEAR ENDED 31 MARCH 2016**

|  | Notes | Unrestricted<br>General<br>£ | Designated<br>£ | Restricted<br>funds<br>£ | Total<br>2016<br>£ | Total<br>2015<br>£ |
|--|-------|------------------------------|-----------------|--------------------------|--------------------|--------------------|
| <b><u>Income and endowments from:</u></b>          |       |                              |                 |                          |                    |                    |
| Donations and legacies                             | 6     | 5,285                        | -               | 3,480                    | 8,765              | 23,023             |
| Charitable activities:                             |       |                              |                 |                          |                    |                    |
| Operation of theatre                               | 5     | 2,655,425                    | -               | 65,900                   | 2,721,325          | 2,619,234          |
| Other trading activities                           | 7     | 79,796                       | -               | -                        | 79,796             | 60,809             |
| Investments  | 8     | 333                          | -               | -                        | 333                | 370                |
| <b>Total incoming resources</b>                    |       | <b>2,740,839</b>             | <b>-</b>        | <b>69,380</b>            | <b>2,810,219</b>   | <b>2,703,436</b>   |
| <b><u>Expenditure on:</u></b>                      |       |                              |                 |                          |                    |                    |
| Expenditure on raising funds from:                 |       |                              |                 |                          |                    |                    |
| Donations and legacies                             | 10    | 24,361                       | -               | -                        | 24,361             | 33,932             |
| Other trading activities                           | 10    | 76,634                       | -               | -                        | 76,634             | 89,504             |
| Charitable activities:                             |       |                              |                 |                          |                    |                    |
| Operation of theatre                               | 9     | 2,233,962                    | 16,698          | 166,149                  | 2,416,809          | 2,244,588          |
| <b>Total resources expended</b>                    |       | <b>2,334,957</b>             | <b>16,698</b>   | <b>166,149</b>           | <b>2,517,804</b>   | <b>2,368,024</b>   |
| Net incoming/(outgoing) resources before transfers |       | 405,882                      | (16,698)        | (96,769)                 | 292,415            | 335,412            |
| Gross transfers between funds                      | 25    | -                            | -               | -                        | -                  | -                  |
| <b>Net incoming/(outgoing) resources</b>           |       | <b>405,882</b>               | <b>(16,698)</b> | <b>(96,769)</b>          | <b>292,415</b>     | <b>335,412</b>     |
| Fund balances at 1 April 2015                      |       | 13,778                       | 74,150          | 689,943                  | 777,871            | 442,459            |
| <b>Fund balances at 31 March 2016</b>              |       | <b>419,660</b>               | <b>57,452</b>   | <b>593,174</b>           | <b>1,070,286</b>   | <b>777,871</b>     |

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006 which includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

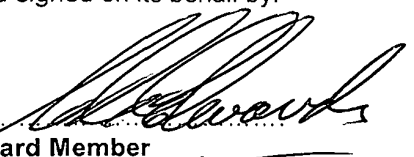
**THE SOUTHAMPTON NUFFIELD THEATRE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**CONSOLIDATED BALANCE SHEET**

**AS AT 31 MARCH 2016**

|   | Notes | Group<br>2016<br>£ | 2015<br>£ | Charity<br>2016<br>£ | 2015<br>£ |
|---|-------|--------------------|-----------|----------------------|-----------|
| <b>Fixed assets</b>                                   |       |                    |           |                      |           |
| Tangible assets                                       | 17    | 701,899            | 705,901   | 701,899              | 705,901   |
| Investments   | 18    | -                  | -         | 3                    | 3         |
|   |       | 701,899            | 705,901   | 701,902              | 705,904   |
| <b>Current assets</b>                                 |       |                    |           |                      |           |
| Stocks  | 19    | 4,673              | 4,550     | 4,673                | 4,550     |
| Debtors   | 20    | 410,560            | 202,118   | 410,557              | 202,115   |
| Cash at bank and in hand                              |       | 512,533            | 202,534   | 512,533              | 202,534   |
|   |       | 927,766            | 409,202   | 927,763              | 409,199   |
| <b>Creditors: amounts falling due within one year</b> | 21    | (559,379)          | (337,232) | (559,379)            | (337,232) |
| <b>Net current assets</b>                             |       | 368,387            | 71,970    | 368,384              | 71,967    |
| <b>Net assets</b>                                     |       | 1,070,286          | 777,871   | 1,070,286            | 777,871   |
| <b>The funds of the charity</b>                       |       |                    |           |                      |           |
| Restricted income funds                               | 25    | 593,174            | 689,943   | 593,174              | 689,943   |
| Unrestricted income funds:                            |       |                    |           |                      |           |
| Designated  |       | 57,452             | 74,150    | 57,452               | 74,150    |
| General   |       | 419,660            | 13,778    | 419,660              | 13,778    |
| <b>Total unrestricted income funds</b>                | 26    | 477,112            | 87,928    | 477,112              | 87,928    |
|   |       | 1,070,286          | 777,871   | 1,070,286            | 777,871   |

Consolidated financial statements have been prepared in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the Board on 29/10/16  
and signed on its behalf by:



Board Member

CHRISTOPHER EDWARDS

Company Registration No. 01711502



Board Member

ANTHONY DEAN

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**CASHFLOW STATEMENT**

**AS AT 31 MARCH 2016**

|  | Notes | 2016<br>£ | £              | 2015<br>£ | £              |
|--|-------|-----------|----------------|-----------|----------------|
| <b>Cashflows from operating activities:</b>  |       |           |                |           |                |
| Net cash provided by/(used in) operating activities  |       |           | 394,892        |           | 370,520        |
| <b>Cashflows from investing activities:</b>  |       |           |                |           |                |
| Interest income  |       | 333       |                | 370       |                |
| Purchase of property, plant and equipment  |       | (85,226)  |                | (315,631) |                |
| Net cash provided by/(used in) investing activities  |       |           | (84,893)       |           | (315,261)      |
| <b>Change in cash and cash equivalents</b>   |       |           | <b>309,999</b> |           | <b>55,259</b>  |
| <b>Cash and cash equivalents at the beginning of the reporting period</b>                    |       |           | <b>202,534</b> |           | <b>147,275</b> |
| <b>Cash and cash equivalents at the end of the reporting period</b>                          |       |           | <b>512,533</b> |           | <b>202,534</b> |
| <b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b> |       |           |                |           |                |
| Net income/(expenditure) for the reporting period  |       |           | 292,415        |           | 335,412        |
| Adjustments for:   |       |           |                |           |                |
| Depreciation charges   |       |           | 89,228         |           | 48,895         |
| Interest income  |       |           | (333)          |           | (370)          |
| (Increase)/decrease in stock   |       |           | (123)          |           | 65             |
| (Increase)/decrease in debtors   |       |           | (208,442)      |           | 44,280         |
| Increase/(decrease) in creditors   |       |           | 222,147        |           | (57,762)       |
| Net cash provided by operating activities  |       |           | <b>394,892</b> |           | <b>370,520</b> |

# THE SOUTHAMPTON NUFFIELD THEATRE TRUST

## (A COMPANY LIMITED BY GUARANTEE)

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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#### 1 Accounting policies

##### Charity Information

The Southampton Nuffield Theatre Trust (the Trust) is a charitable company established under its Memorandum and Articles of Association and registered with the Charity Commission and Companies House in England and Wales. The principal address is Nuffield Theatre, University Road, Southampton, SO17 1TR. The charity is a public benefit entity.

##### 1.1 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 preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)" (SORP 2015) issued in July 2014, applicable UK accounting standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of the Financial Statements are set out below.

As the company is a Trust, the wording of the statutory formats required by the Companies Act 2006 have been appropriately amended in order to reflect this.

The Financial Statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts are rounded to the nearest £.

##### 1.2 Going concern

The Financial Statements have been prepared on a going concern basis, which assumes that the Trust will continue to operate. The validity of this assumption is dependent upon the continued support of the funding bodies of the Trust. If the Trust 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.

##### 1.3 Reconciliation with previous Generally Accepted Accounting Practice

In preparing the Financial Statements, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, a restatement of comparative figures was needed. None was required other than the restatement necessary to reflect the change in treatment of governance costs which are now allocated to activities rather than being shown separately in the Statement of Financial Activities. The overall expenditure has not changed. The transition date was 1 April 2014.

##### 1.4 Funds

Funds held by the Trust are either:

Unrestricted 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 Trust. 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.



# THE SOUTHAMPTON NUFFIELD THEATRE TRUST

## (A COMPANY LIMITED BY GUARANTEE)

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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#### 1 Accounting policies (Continued)

##### 1.5 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. 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 a 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 Trust has unconditional entitlement.

Income from commercial trading activities is recognised as earned.

##### Unrestricted/Core grants

The regular annual grant funding received from ACE, UoS, SCC and HCC is considered to be the core funding of the Trust, 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.

##### Donated services and facilities

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

##### 1.6 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 required.

- Costs of generating funds are those costs incurred in attracting voluntary income, and 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 and support costs relating to these activities.
  - Governance costs include those incurred in the governance of the Trust and its assets and are primarily associated with constitutional and statutory requirements. They have been allocated to activity cost categories on a basis consistent with the use of resources, as detailed in notes 9 and 10.
  - 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 9 and 10.
-

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**

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**1 Accounting policies (Continued)**

**1.7 Operating leases**

Rentals paid under operating leases are charged against income on a straight line basis over the lease term.

**1.8 Tangible fixed assets and depreciation**

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

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over its expected useful life, as follows:

|                               |   |
|-------------------------------|---|
| Motor vehicles                | 4 - 8 years                                 |
| Office and catering equipment | 3 - 12 years                                |
| Theatre equipment             | 3 - 20 years                                |
| Leasehold improvements        | 9 - 20 years, or over the term of the lease |

**1.9 Investments**

Investments are held as fixed assets. The interests in the subsidiary undertakings are stated at cost less provision for diminution in value.

**1.10 Stock**

Stock is valued at the lower of cost and net realisable value. Cost is calculated on a FIFO basis.

**1.11 Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.12 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts.

**1.13 Creditors and provisions**

Creditors and provisions are recognised where the Trust has a present obligation resulting from a past event that is likely to result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**1.14 Financial instruments**

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**1.15 Pensions**

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

# THE SOUTHAMPTON NUFFIELD THEATRE TRUST

## (A COMPANY LIMITED BY GUARANTEE)

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

#### 1 Accounting policies (Continued)

##### 1.16 Pensions (Continued)

One employee is also a member of a defined benefit pension scheme underwritten by the UoS. The assets of the scheme are held and managed separately from those of the Trust. Under the exemption permitted by the Charities SORP Update Bulletin 1, published by the Charity Commission in January 2003, since the Trust 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 or its share of the underlying assets and liabilities of the scheme, it 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 Trust for the year, based on independent actuarial recommendation.

##### 1.17 Basis of consolidation

The consolidated Financial Statements of the group incorporate the Financial Statements of the Trust and its subsidiary undertakings made up to 31 March 2016.

#### 2 Key estimates and judgements

The Trustees consider that there are no material areas of judgement or estimation uncertainty.

#### 3 Legal status of the charity

The Trust 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.

#### 4 Related party transactions

##### Board members

Unless disclosed in this note, no board member received any emolument or payment for professional or other services during the year. During the year no trustees were reimbursed for travel expenses (2015: 2 trustees reimbursed for expenses totalling £189).

##### UoS

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

|                            | 2016<br>£      | 2015<br>£      |
|----------------------------|----------------|----------------|
| Incoming resources:        |                |                |
| Core and additional grants | 174,379        | 172,686        |
| Other income               | 25,335         | 20,357         |
|                            | <u>199,714</u> | <u>193,043</u> |
| Resources expended:        |                |                |
| Sinking fund               | 25,441         | 23,647         |
| Utilities and cleaning     | 33,170         | 40,413         |
| Other charges              | 2,838          | 33,865         |
|                            | <u>61,449</u>  | <u>97,925</u>  |

No charge is made by the University 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.

**THE SOUTHAMPTON NUFFIELD THEATRE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**

**5 Income from operation of producing theatre**

|                      |     | Unrestricted<br>£ | Restricted<br>£ | Total<br>2016<br>£ | Total<br>2015<br>£ |
|----------------------|-----|-------------------|-----------------|--------------------|--------------------|
| Box office           | 5.1 | 538,662           | -               | 538,662            | 467,140            |
| Other project income |     | 152,323           | -               | 152,323            | 124,892            |
| Artistic hires       |     | 47,140            | -               | 47,140             | 85,246             |
| Audience trading     | 5.2 | 141,412           | -               | 141,412            | 110,939            |
| Theatre tax relief   |     | 121,564           | -               | 121,564            | 37,271             |
| Grants               | 5.3 | 1,654,324         | 65,900          | 1,720,224          | 1,793,746          |
|                      |     | <u>2,655,425</u>  | <u>65,900</u>   | <u>2,721,325</u>   | <u>2,619,234</u>   |
| 2015 total           |     | <u>1,976,952</u>  | <u>642,282</u>  | <u>2,619,234</u>   |                    |

In 2015, income relating to Nuffield Playing Field was included within other project income (£12,517) and grants (£255,000). This was a one-off event with income raised to cover the full cost of the event.

**5.1 Box office**

|   |  | Unrestricted<br>£ | Restricted<br>£ | Total<br>2016<br>£ | Total<br>2015<br>£ |
|---|--|-------------------|-----------------|--------------------|--------------------|
| Nuffield productions:                     |  |                   |                 |                    |                    |
| Main house                                |  | 229,003           | -               | 229,003            | 186,046            |
|   |  | <u>229,003</u>    | <u>-</u>        | <u>229,003</u>     | <u>186,046</u>     |
| Other:                                    |  |                   |                 |                    |                    |
| Adult visiting companies                  |  | 103,444           | -               | 103,444            | 148,924            |
| Alternative nights                        |  | 87,382            | -               | 87,382             | 52,552             |
| Kids' Saturday theatre                    |  | 22,299            | -               | 22,299             | 7,240              |
| Youth theatres, Drama clubs and Workshops |  | 96,534            | -               | 96,534             | 72,378             |
|   |  | <u>538,662</u>    | <u>-</u>        | <u>538,662</u>     | <u>467,140</u>     |

All income in the comparative period was unrestricted.

**5.2 Audience and general public trading**

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

|                         |  | Unrestricted<br>£ | Restricted<br>£ | Total<br>2016<br>£ | Total<br>2015<br>£ |
|-------------------------|--|-------------------|-----------------|--------------------|--------------------|
| <u>Audience trading</u> |  |                   |                 |                    |                    |
| Bar - evening           |  | 64,438            | -               | 64,438             | 52,166             |
| Ices and confectionery  |  | 45,007            | -               | 45,007             | 38,073             |
| Food                    |  | 28,399            | -               | 28,399             | 19,717             |
| Merchandise             |  | 3,568             | -               | 3,568              | 983                |
|                         |  | <u>141,412</u>    | <u>-</u>        | <u>141,412</u>     | <u>110,939</u>     |

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**5.2 Audience and general public trading (Continued)**

|                                     | Unrestricted | Restricted | Total  | Total  |
|-------------------------------------|--------------|------------|--------|--------|
|                                     | £            | £          | 2016   | 2015   |
|                                     | £            | £          | £      | £      |
| General public trading              |              |            |        |        |
| Bar                                 | 3,848        | -          | 3,848  | 8,902  |
| Food and Front of House (FOH) hires | 20,227       | -          | 20,227 | 31,146 |
|                                     | 24,075       | -          | 24,075 | 40,048 |

All income in the comparative period was unrestricted.

**5.3 Grants**

|  | Unrestricted | Restricted | Total     | Total     |
|--|--------------|------------|-----------|-----------|
|  | £            | £          | 2016      | 2015      |
|  | £            | £          | £         | £         |
| ACE  | 974,349      | -          | 974,349   | 553,433   |
| SCC  | 295,161      | -          | 295,161   | 129,205   |
| UoS  | 174,379      | -          | 174,379   | 172,686   |
| HCC  | 47,910       | -          | 47,910    | 49,390    |
| ACE - Catalyst   | -            | -          | -         | 40,000    |
| Other  | 33,000       | 4,000      | 37,000    | 45,000    |
| Production grants and service contracts (other)            | -            | -          | -         | 22,750    |
| Production grants and service contracts (special projects) | -            | -          | -         | 255,000   |
| ACE - backstage works                                      | -            | 9,000      | 9,000     | 322,000   |
| HCC Impulse  | -            | -          | -         | 14,700    |
| Comptons   | -            | 32,900     | 32,900    | -         |
| Esmee Fairbairn Foundation                                 | -            | -          | -         | 59,275    |
| Wolfson Capital  | -            | -          | -         | 25,000    |
| Stage One  | -            | -          | -         | 20,133    |
| SCC SNAC   | 129,525      | 20,000     | 149,525   | 85,174    |
|  | 1,654,324    | 65,900     | 1,720,224 | 1,793,746 |
| 2015 total   | 1,151,464    | 642,282    | 1,793,746 |           |

**6 Voluntary Income**

|            | Unrestricted | Restricted | Total  | Total  |
|------------|--------------|------------|--------|--------|
|            | £            | £          | 2016   | 2015   |
|            | £            | £          | £      | £      |
| Donations  | 5,285        | 3,480      | 8,765  | 23,023 |
| 2015 total | 13,238       | 9,785      | 23,023 |        |

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**7 Income from activities for generating funds**

|                             | Unrestricted<br>£ | Restricted<br>£ | Total<br>2016<br>£ | Total<br>2015<br>£ |
|-----------------------------|-------------------|-----------------|--------------------|--------------------|
| Sponsorship                 | 1,800             | -               | 1,800              | -                  |
| Friends of Nuffield Theatre | 1,381             | -               | 1,381              | 8,642              |
| Other fundraising           | 7,085             | -               | 7,085              | 2,487              |
|                             | 10,266            | -               | 10,266             | 11,129             |
| Other:                      |                   |                 |                    |                    |
| General public trading      | 24,075            | -               | 24,075             | 40,048             |
| Other earned income         | 45,455            | -               | 45,455             | 9,632              |
|                             | 79,796            | -               | 79,796             | 60,809             |

All income in the comparative period was unrestricted.

**8 Investment income**

All of the Trust's investment income arises from interest bearing deposit accounts. All investment income is unrestricted.

**9 Charitable activities**

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

|                                      | <b>Theatre productions:</b>           |                                    | <b>Primary<br/>trading<br/>£</b> | <b>Other<br/>activities<br/>£</b> | <b>Total<br/>2016<br/>£</b> | <b>Total<br/>2015<br/>£</b> |
|--------------------------------------|---------------------------------------|------------------------------------|----------------------------------|-----------------------------------|-----------------------------|-----------------------------|
|                                      | <b>Nuffield<br/>productions<br/>£</b> | <b>Other<br/>productions<br/>£</b> |                                  |                                   |                             |                             |
| Direct production costs:             |                                       |                                    |                                  |                                   |                             |                             |
| Nuffield productions                 | 777,408                               | -                                  | -                                | -                                 | 777,408                     | 711,221                     |
|                                      | 777,408                               | -                                  | -                                | -                                 | 777,408                     | 711,221                     |
| Visiting companies                   | -                                     | 183,201                            | -                                | -                                 | 183,201                     | 182,711                     |
| Special projects costs               | -                                     | -                                  | -                                | -                                 | -                           | 222,250                     |
| Youth theatre                        | -                                     | 102,509                            | -                                | -                                 | 102,509                     | 9,487                       |
| Research & development               | -                                     | -                                  | -                                | 55,117                            | 55,117                      | 16,575                      |
| Marketing                            | 130,489                               | 83,038                             | -                                | 23,725                            | 237,252                     | 182,609                     |
| FOH trading                          |                                       |                                    |                                  |                                   |                             |                             |
| - directly allocated                 | -                                     | -                                  | 41,951                           | -                                 | 41,951                      | 39,156                      |
| - apportioned                        | -                                     | -                                  | 43,091                           | -                                 | 43,091                      | 58,251                      |
| Production & front of house          |                                       |                                    |                                  |                                   |                             |                             |
| - directly allocated                 | 26,319                                | 17,815                             | -                                | -                                 | 44,134                      | 35,263                      |
| - apportioned                        | 149,655                               | 19,954                             | 19,954                           | 9,977                             | 199,540                     | 189,823                     |
| Touring & projects                   | 68,266                                | 55,854                             | -                                | -                                 | 124,120                     | 103,868                     |
|                                      | 1,152,137                             | 462,371                            | 104,996                          | 88,819                            | 1,808,323                   | 1,751,214                   |
| Support & governance costs (note 10) | 304,243                               | 212,970                            | 60,849                           | 30,424                            | 608,486                     | 493,374                     |
|                                      | 1,456,380                             | 675,341                            | 165,845                          | 119,243                           | 2,416,809                   | 2,244,588                   |

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**9 Charitable activities (Continued)**

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

|                               | Theatre productions: |                   |                 |                  |            |            |
|-------------------------------|----------------------|-------------------|-----------------|------------------|------------|------------|
|                               | Nuffield productions | Other productions | Primary trading | Other activities | Total 2016 | Total 2015 |
|                               | %                    | %                 | %               | %                | %          | %          |
| Marketing                     | 55                   | 35                | -               | 10               | 100        | 100        |
| FOH trading (primary element) | -                    | -                 | 65              | -                | 65         | 65         |
| Production & front of house   | 75                   | 10                | 10              | 5                | 100        | 100        |
| Touring & projects            | 55                   | 45                | -               | -                | 100        | 100        |
| Support costs                 | 50                   | 35                | 10              | 5                | 100        | 100        |
| Governance costs              | 50                   | 35                | 10              | 5                | 100        | 100        |

**10 Resources expended including support costs**

|   | Charitable activities<br>(note 8) | Voluntary income | Generating funds | Total 2016 | Total 2015 |
|---|-----------------------------------|------------------|------------------|------------|------------|
|   | £                                 | £                | £                | £          | £          |
| Costs directly allocated to activities: |                                   |                  |                  |            |            |
| Charitable activities                   | 1,808,323                         | -                | -                | 1,808,323  | 1,751,214  |
| Secondary trading                       |                                   |                  |                  |            |            |
| - directly allocated                    | -                                 | -                | 13,048           | 13,048     | 11,546     |
| - apportioned                           | -                                 | -                | 23,203           | 23,203     | 31,366     |
| Fundraising costs                       |                                   |                  |                  |            |            |
| - directly allocated                    | -                                 | 1,213            | -                | 1,213      | -          |
| - apportioned                           | -                                 | 6,236            | 6,236            | 12,472     | 23,472     |
|   | 1,808,323                         | 7,449            | 42,487           | 1,858,259  | 1,817,598  |

Support and governance costs allocated to activities:

Core costs:

Premises & equipment

Premises - sinking fund 25,441 - - 25,441 23,647

Premises - utilities/cleaning 31,262 83 1,825 33,170 40,413

Premises - other 1,617 4 95 1,716 883

Premises - storage 30,277 80 1,767 32,124 -

IT 30,885 82 1,803 32,770 36,890

Depreciation 89,228 - - 89,228 48,895

Admin costs:

Box office 60,520 152 305 60,977 56,536

Management & accounts 187,598 7,255 12,438 207,291 187,285

Other staff costs 40,880 108 2,386 43,374 17,669

Phones, postage, stationery 12,646 302 470 13,418 15,888

Other 59,540 158 3,475 63,173 43,628

Audit 15,215 895 1,790 17,900 6,300

Organisational development 23,377 7,793 7,793 38,963 72,392

608,486 16,912 34,147 659,545 550,426

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**10 Resources expended including support costs (Continued)**

|                          | Charitable<br>activities<br>(note 8) | Voluntary<br>income | Generating<br>funds | Total<br>2016 | Total<br>2015 |
|--------------------------|--------------------------------------|---------------------|---------------------|---------------|---------------|
|                          | £                                    | £                   | £                   | £             | £             |
| Total resources expended | 2,416,809                            | 24,361              | 76,634              | 2,517,804     | 2,368,024     |

The Trust allocated 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<br>activities<br>% | Voluntary<br>income<br>% | Generating<br>funds<br>% | Governance<br>% | Total<br>2016<br>% | Total<br>2015<br>% |
|--|-------------------------------|--------------------------|--------------------------|-----------------|--------------------|--------------------|
| Shared direct costs:                       |                               |                          |                          |                 |                    |                    |
| FOH trading (secondary element)            | -                             | -                        | 35                       | -               | 35                 | 35                 |
| Fundraising costs                          | -                             | 50                       | 50                       | -               | 100                | 100                |
| Support costs:                             |                               |                          |                          |                 |                    |                    |
| Core costs:                                |                               |                          |                          |                 |                    |                    |
| Premises & equipment                       |                               |                          |                          |                 |                    |                    |
| Premises - sinking fund                    | 100                           | -                        | -                        | -               | 100                | 100                |
| Premises - utilities/cleaning              | 90                            | -                        | 5                        | 5               | 100                | 100                |
| Premises - other                           | 90                            | -                        | 5                        | 5               | 100                | 100                |
| Premises - storage                         | 90                            | -                        | 5                        | 5               | 100                | 100                |
| IT   | 90                            | -                        | 5                        | 5               | 100                | 100                |
| Depreciation                               | 100                           | -                        | -                        | -               | 100                | 100                |
| Admin costs:                               |                               |                          |                          |                 |                    |                    |
| Box office                                 | 95                            | -                        | -                        | 5               | 100                | 100                |
| Management & accounts                      | 65                            | 2                        | 3                        | 30              | 100                | 100                |
| Other staff costs                          | 90                            | -                        | 5                        | 5               | 100                | 100                |
| Phones, postage, stationery                | 90                            | 2                        | 3                        | 5               | 100                | 100                |
| Other:                                     | 90                            | -                        | 5                        | 5               | 100                | 100                |
| Organisational development                 | 60                            | 20                       | 20                       | -               | 100                | 100                |
| Governance costs are allocated as follows: | 85                            | 5                        | 10                       | -               | 100                | 100                |



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**10 Resources expended including support costs (Continued)**

|   | <b>2016</b>      | <b>2015</b>      |
|---|------------------|------------------|
|   | <b>£</b>         | <b>£</b>         |
| The breakdown of expenditure between funds is as follows: |                  |                  |
| Restricted  | 166,149          | 296,914          |
| Unrestricted  | 2,351,655        | 2,071,110        |
|   | <u>2,517,804</u> | <u>2,368,024</u> |

**11 Governance Costs**

|                               | <b>2016</b>   | <b>2015</b>   |
|-------------------------------|---------------|---------------|
|                               | <b>£</b>      | <b>£</b>      |
| Audit                         | 17,900        | 6,300         |
| Premises - utilities/cleaning | 1,659         | 2,021         |
| Premises - other              | 86            | 44            |
| Premises - storage            | 1,606         | -             |
| IT                            | 1,639         | 1,845         |
| Box office                    | 3,049         | 2,827         |
| Management & accounts         | 62,187        | 56,186        |
| Other staff costs             | 2,169         | 883           |
| Phones, postage, stationery   | 671           | 794           |
| Other                         | 3,159         | 2,181         |
|                               | <u>94,125</u> | <u>73,081</u> |

**12 Analysis of staff costs**

|                          | <b>2016</b>    | <b>2015</b>    |
|--------------------------|----------------|----------------|
|                          | <b>£</b>       | <b>£</b>       |
| Salaries and wages       | 804,075        | 729,717        |
| National Insurance costs | 60,713         | 54,173         |
| Pension costs            | 9,306          | 8,391          |
|                          | <u>874,094</u> | <u>792,281</u> |

There were no employees with emoluments exceeding £60,000 (2015: None).

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**13 Staff numbers**

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

|                       | <b>2016</b> | <b>2015</b> |
|-----------------------|-------------|-------------|
|                       | <b>No</b>   | <b>No</b>   |
| Production            | 30          | 30          |
| Administration        | 19          | 17          |
|                       | <u>49</u>   | <u>47</u>   |
| Part time             | 25          | 21          |
| Full time             | 24          | 26          |
|                       | <u>49</u>   | <u>47</u>   |
| Full time equivalents | <u>37</u>   | <u>37</u>   |

**14 Remuneration of key management personnel**

| <b>2016</b>    | <b>2015</b>    |
|----------------|----------------|
| <b>£</b>       | <b>£</b>       |
| 145,209        | 115,923        |
| <u>145,209</u> | <u>115,923</u> |

**15 Expenditure for the year**

|  | <b>2016</b>   | <b>2015</b>   |
|--|---------------|---------------|
|  | <b>£</b>      | <b>£</b>      |
| Expenditure for the year is stated after charging: |               |               |
| Depreciation                                       | 89,228        | 48,895        |
| Auditors' remuneration for audit services          | 8,050         | 5,400         |
| Auditors' remuneration for non-audit services      | 9,850         | 1,730         |
|  | <u>97,128</u> | <u>55,925</u> |

**16 Government grants**

Income from government grants comprises core grants made by local authorities to fund the operation of the theatre. See note 5.3 for more information regarding the amount and source of such grants.

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**17 Tangible fixed assets**

| <b>Group and Charity</b> | <b>Theatre<br/>equipment<br/>£</b> | <b>Office &amp;<br/>catering<br/>equipment<br/>£</b> | <b>Leasehold<br/>improve-<br/>ments<br/>£</b> | <b>Motor<br/>vehicles<br/>£</b> | <b>Assets<br/>under<br/>construction<br/>£</b> | <b>Total<br/>£</b> |
|--------------------------|------------------------------------|--|---|---------------------------------|--|--------------------|
| <b>Cost</b>              |                                    |  |   |                                 |  |                    |
| At 1 April 2015          | 248,735                            | 240,169  | 1,872,542                                     | 21,336                          | 266,912  | 2,649,694          |
| Additions                | 75,597                             | 6,780  | 2,849   | -                               | -  | 85,226             |
| Disposals                | -                                  | -  | -   | -                               | -  | -                  |
| Transfers                | 266,912                            | -  | -   | -                               | (266,912)                                      | -                  |
| At 31 March 2016         | 591,244                            | 246,949  | 1,875,391                                     | 21,336                          | -  | 2,734,920          |
| <b>Depreciation</b>      |                                    |  |   |                                 |  |                    |
| At 1 April 2015          | 192,517                            | 230,936  | 1,509,035                                     | 11,305                          | -  | 1,943,793          |
| On disposals             | -                                  | -  | -   | -                               | -  | -                  |
| Charge for year          | 50,858                             | 5,760  | 30,102  | 2,508                           | -  | 89,228             |
| At 31 March 2016         | 243,375                            | 236,696  | 1,539,137                                     | 13,813                          | -  | 2,033,021          |
| <b>Net Book Value</b>    |                                    |  |   |                                 |  |                    |
| At 31 March 2016         | 347,869                            | 10,253   | 336,254                                       | 7,523                           | -  | 701,899            |
| At 31 March 2015         | 56,218                             | 9,233  | 363,507                                       | 10,031                          | 266,912  | 705,901            |

As set out in notes 25 and 27, the holding of certain tangible fixed assets is linked to specific funds of the Trust. During the year depreciation was charged as follows on these assets:

|   | <b>Leasehold<br/>improve-<br/>ments<br/>£</b> | <b>Total<br/>£</b> |
|---|---|--------------------|
| Restricted - Lottery Refurbishment 1995 | 10,904  | 10,904             |
| Restricted - Foyer Refurbishment 2008   | 2,572   | 2,572              |
| Restricted - 2015 capital works         | 47,681  | 47,681             |
| Designated - Sponsored assets fund      | 16,698  | 16,698             |
|   | <b>77,855</b>                                 | <b>77,855</b>      |

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**18 Fixed asset investments**

**Trust**

|                                   | Shares in group<br>undertakings<br>£ | Total<br>£ |
|-----------------------------------|--------------------------------------|------------|
| At 1 April 2015 and 31 March 2016 | 3                                    | 3          |

| Subsidiary undertakings                              | Registered<br>in   | Class    | Shares held<br>% |
|--|--------------------|----------|------------------|
| Southampton Nuffield Theatre Trading Company Limited | England &<br>Wales | Ordinary | 100%             |
| Nuffield Productions Limited                         | England &<br>Wales | Ordinary | 100%             |

Southampton Nuffield Theatre Trading Company Limited (company number 02770478) remains dormant. The aggregate capital and reserves at 31 March 2016 were £2 (2015: £2).

Details in respect of Nuffield Productions Limited are shown in note 29.

**19 Stock**

|  | Group<br>2016<br>£ | 2015<br>£ | Trust<br>2016<br>£ | 2015<br>£ |
|--|--------------------|-----------|--------------------|-----------|
| Front of house   | 4,673              | 4,550     | 4,673              | 4,550     |
| Cost of stocks recognised as an expense during the year: | 55,715             | 69,205    | 55,715             | 69,205    |

**20 Debtors**

|                                    | Group<br>2016<br>£ | 2015<br>£ | Trust<br>2016<br>£ | 2015<br>£ |
|------------------------------------|--------------------|-----------|--------------------|-----------|
| Trade debtors                      | 109,361            | 25,641    | 109,361            | 25,641    |
| Other debtors                      | 206,568            | 90,934    | 74,949             | 80,880    |
| Amount due from group undertakings | -                  | -         | 131,616            | 10,051    |
| Prepayments and accrued income     | 94,631             | 85,543    | 94,631             | 85,543    |
|                                    | 410,560            | 202,118   | 410,557            | 202,115   |

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**21 Creditors: amounts falling due within one year**

|   | <b>Group</b>   |                | <b>Trust</b>   |                |
|---|----------------|----------------|----------------|----------------|
|   | <b>2016</b>    | <b>2015</b>    | <b>2016</b>    | <b>2015</b>    |
|   | <b>£</b>       | <b>£</b>       | <b>£</b>       | <b>£</b>       |
| Trade creditors                                   | 144,403        | 152,899        | 144,403        | 152,899        |
| Taxes and social security costs                   | 29,506         | 14,358         | 30,850         | 14,358         |
| Other creditors                                   | 6,145          | 22,190         | 4,801          | 22,190         |
| Accruals  | 151,579        | 44,421         | 151,579        | 44,421         |
| Deferred income                                   | 227,746        | 103,364        | 227,746        | 103,364        |
| Amount due to group undertaking                   | -              | -              | -              | -              |
|   | <b>559,379</b> | <b>337,232</b> | <b>559,379</b> | <b>337,232</b> |
| Deferred income comprises:                        | <b>2016</b>    | <b>2015</b>    | <b>2016</b>    | <b>2015</b>    |
|   | <b>£</b>       | <b>£</b>       | <b>£</b>       | <b>£</b>       |
| Advance ticket sales                              | 113,726        | 45,238         | 113,726        | 45,238         |
| Grants and fees for future productions or periods | 114,020        | 58,126         | 114,020        | 58,126         |
|   | <b>227,746</b> | <b>103,364</b> | <b>227,746</b> | <b>103,364</b> |

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

**22 Financial instruments**

|   | <b>Group</b> |             | <b>Trust</b> |             |
|---|--------------|-------------|--------------|-------------|
|   | <b>2016</b>  | <b>2015</b> | <b>2016</b>  | <b>2015</b> |
|   | <b>£</b>     | <b>£</b>    | <b>£</b>     | <b>£</b>    |
| <b>Carrying amount of financial assets</b>  |              |             |              |             |
| Debt instruments measured at amortised cost (amounts included in debtors)             | 315,929      | 116,575     | 315,926      | 116,572     |
| Equity instruments measured at cost less impairment (amounts included in investments) | -            | -           | 3            | 3           |
| <b>Carrying amount of financial liabilities</b>                                       |              |             |              |             |
| Measured at amortised cost (amounts included in creditors)                            | 331,633      | 233,868     | 331,633      | 233,868     |

A debt instrument is a contractual right to receive cash or another financial asset from another entity.

An equity instrument is an investment in the equity of another entity.

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.

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**23 Pension and other post-retirement benefit commitments**

The Trust operates a stakeholder pension scheme, contributes to group personal pension schemes and a multi-employer defined benefit scheme. The assets of the schemes are held separately from those of the Trust in independently administered funds. The pension cost charge represents contributions payable by the Trust to the funds. At the year end there were contributions outstanding of £465 (2015: £484).

**24 Analysis of net assets between funds**

|                                      | Fixed<br>assets<br>£ | Net current<br>assets/<br>(liabilities)<br>£ | Total<br>£       |
|--------------------------------------|----------------------|--|------------------|
| <u>Restricted income funds:</u>      |                      |  |                  |
| Lottery Refurbishment 1995           | 232,615              | -  | 232,615          |
| Foyer Refurbishment 2008             | 54,867               | -  | 54,867           |
| Other restricted funds (see note 25) | 297,258              | 8,434  | 305,692          |
|                                      | <u>584,740</u>       | <u>8,434</u>                                 | <u>593,174</u>   |
| <u>Unrestricted income funds:</u>    |                      |  |                  |
| Designated funds                     | 57,452               | -  | 57,452           |
| General fund                         | 59,710               | 359,950                                      | 419,660          |
|                                      | <u>117,162</u>       | <u>359,950</u>                               | <u>477,112</u>   |
|                                      | <u>701,902</u>       | <u>368,384</u>                               | <u>1,070,286</u> |

**25 Restricted income funds**

|   | Notes | Balance<br>at 1 April<br>2015<br>£ | Movement in funds<br>Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Balance at<br>31 March<br>2016<br>£ |
|---|-------|------------------------------------|---|----------------------------|-------------------------------------|
| <u>Funds represented by Fixed Assets:</u>   |       |                                    |   |                            |                                     |
| Lottery Refurbishment 1995                  | i)    | 243,519                            | -   | (10,904)                   | 232,615                             |
| Foyer Refurbishment 2008                    | ii)   | 57,439                             | -   | (2,572)                    | 54,867                              |
| 2015 capital works                          | iii)  | 335,939                            | 9,000   | (47,681)                   | 297,258                             |
| <u>Funds represented by Current Assets:</u> |       |                                    |   |                            |                                     |
| Esmee Fairbairn Foundation                  | iv)   | 20,186                             | -   | (14,186)                   | 6,000                               |
| Apprentices                                 | v)    | -                                  | 1,500   | (1,500)                    | -                                   |
| Private donations to youth theatre          | vi)   | -                                  | 36,380  | (36,380)                   | -                                   |
| HYT residential                             | vii)  | (10)                               | -   | -                          | (10)                                |
| School transport                            | viii) | 1,000                              | -   | -                          | 1,000                               |
| Studio 144                                  | ix)   | 4,237                              | 20,000  | (24,237)                   | -                                   |
| BBC Performing Arts Fellowship              | x)    | 7,500                              | 2,500   | (10,000)                   | -                                   |
| Stage 1 Apprentice                          | xi)   | 20,133                             | -   | (18,689)                   | 1,444                               |
|   |       | <u>689,943</u>                     | <u>69,380</u>                                   | <u>(166,149)</u>           | <u>593,174</u>                      |

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**25 Restricted income funds (Continued)**

i) The lottery refurbishment 1995 fund represents the external funding, received specifically towards the Trust's capital refurbishment project undertaken from 1996 to 1999. Each year an amount is charged to the fund in respect of the depreciation charge for the year.

ii) The foyer refurbishment 2008 fund represents grants and donations, less fundraising costs, towards the cost of refurbishing the foyer in Summer 2008. Each year an amount is charged to the fund in respect of the depreciation charge for the year.

iii) The 2015 capital works fund represents grants and donations provided to fund various capital expenditure including state-of-the-art video projection equipment, lighting desks and an upgrade of winches.

iv) A grant from the Esmee Fairbairn Foundation supports a programme of artist development over the next two years.

v) The Trust's Apprentices fund paid for a creative and a technical apprentice for part of the year.

vi) Generous donations from one private funder will help towards the Trust's youth theatre work.

vii) A grant provided by Artsworld to contribute towards the cost of employing an apprentice.

viii) A grant from Barker Mill Foundation enabled the Trust to contribute towards the cost of coaches for a particular school.

ix) Grants were provided by Southampton City Council to fund business and change costs required in preparation for the Trust's role in the new arts complex to be set up over the next few

x) A grant from the BBC Performing Arts Fund supports the funding of a Performing Arts Fellowship.

xi) A grant from Stage One funds the cost of employing an apprentice.

**26 Unrestricted income funds**

|                                       |       | Balance<br>at 1 April<br>2015<br>£ | Movement in funds<br>Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Balance at<br>31 March<br>2016<br>£ |
|---------------------------------------|-------|------------------------------------|---|----------------------------|-------------------------------------|
|                                       | Notes |                                    |   |                            |                                     |
| <u>Designated funds - asset funds</u> | 27    | 74,150                             | -   | (16,698)                   | 57,452                              |
| <u>General fund</u>                   |       | 13,778                             | 2,740,839                                       | (2,334,957)                | 419,660                             |
|                                       |       | <u>87,928</u>                      | <u>2,740,839</u>                                | <u>(2,351,655)</u>         | <u>477,112</u>                      |

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**27 Designated asset funds**

|                               | <b>Assets<br/>£</b> | <b>Total<br/>£</b> |
|-------------------------------|---------------------|--------------------|
| Fund at 31 March 2015         | 74,150              | 74,150             |
| Annual depreciation           | (16,698)            | (16,698)           |
| Net movements during the year | (16,698)            | (16,698)           |
| Fund at 31 March 2016         | 57,452              | 57,452             |

**Assets fund - designated**

The assets fund was set up to pay for future depreciation on fixed assets that are acquired as donated assets, as part of a sponsorship arrangement or from specific restricted funding.

In the year that a new sponsored asset is acquired an amount equal to the full asset value is transferred from general or restricted 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, with the annual depreciation charged to the sponsored assets fund.

**28 Future commitments**

At 31 March 2016 the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|   | <b>Group</b>      |                   | <b>Trust</b>      |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | <b>2016<br/>£</b> | <b>2015<br/>£</b> | <b>2016<br/>£</b> | <b>2015<br/>£</b> |
| Expiry date:  |                   |                   |                   |                   |
| In less than one year                                   | 49,928            | 30,095            | 49,928            | 30,095            |
| Between two and five years                              | 98,676            | 44,437            | 98,676            | 44,437            |
|   | 148,604           | 74,532            | 148,604           | 74,532            |
| Lease payments recognised as an expense during the year | 36,080            | 25,771            | 36,080            | 25,771            |

At the year end, there were no capital commitments (2015: £72,013).



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**29 Subsidiary undertakings**

The Trust owns the whole of the issued ordinary share capital of Nuffield Productions Limited (company number 09304884), a company registered in England and Wales. The subsidiary is used to carry out production activities. All activities have been consolidated on a line by line basis. A summary of the results of the subsidiary is shown below:

|  | 2016<br>£   | 2015<br>£ |
|--|-------------|-----------|
| Turnover   | 1,125,890   | 62,835    |
| Direct costs   | (1,125,890) | (62,835)  |
| Net profit/(loss)  | -           | -         |
| The aggregate assets, liabilities and reserves of Nuffield Productions Limited were: |             |           |
| Assets   | 131,618     | 10,054    |
| Liabilities  | (131,617)   | (10,053)  |
| Capital and reserves   | 1           | 1         |

**30 Surplus for the financial year**

The Trust has taken advantage of the exemptions allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities.

The net movement in funds of the Trust for the year was a surplus of £292,415 (2015: £335,412).

The Trust's gross income for the year was £2,688,655 (2015: £2,693,383)