

Registered number: 01711502
Charity number: 286876

THE SOUTHAMPTON NUFFIELD THEATRE TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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THE SOUTHAMPTON NUFFIELD THEATRE TRUST
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Chair's Statement

As the new Chair of the Board I have pleasure in presenting its Annual Report and the Financial Statements for the year ending 31 March 2017. During the financial year I took over the role of chair from Chris Edwards and this is an opportunity to put on record our immense thanks for his many years of service as a Trustee, years which were ones of great success and development for Nuffield.

2016/17 saw Nuffield continue to grow its audiences, both at home and around the country. The Trust achieved its two highest ever grossing productions in this year: **Noises Off** in June 2016 followed by **Fantastic Mr Fox** at Christmas. The latter then transferred to the Lyric, Hammersmith for a four week run followed by a national and international tour, both of which have significantly increased Nuffield's profile. Sam Hodges was also nominated for Best Director for **The Glass Menagerie**, at the UK Theatre Awards.

During this year Nuffield diversified and broadened its reach into its communities, increasing youth theatre provision, delivering an in-depth programme of workshops and performances for 500 young people at schools in particularly disadvantaged areas of Southampton and running over 3,500 participant sessions across two large scale community projects – the WWI commemorative project **#WeAreHere** with the National Theatre and the community chorus for **The Grapes of Wrath**.

The construction programme on Studio 144 continues to be delayed, with the company now planning to open that space in Christmas 2017. Whilst this has created a number of difficulties, the Trust has been able to consolidate its structures and planning processes, and also to secure additional funding to support the purchase of new equipment within the new theatre. Arts Council England and Southampton City Council continue to support the project, as do several private trusts, and a number of local businesses.

The Trust has continued to work towards building greater financial stability and to reduce reliance on statutory funding; this has been marked by a significant increase in box office income, up from £502,000 in 2015/16 to £728,000 in this year. This was further supplemented by a share of ticket income on the **Fantastic Mr Fox** tour of £349,000.

Combining being Chair with my day job and leading a Government Review has not been easy. Fortunately, other Trustees have shared the load and we have been able to rely on the excellent leadership of Sam Hodges and his team. I look forward to being able to engage more fully in the year ahead and to work with the Trustees to support what I am sure will be ever greater ambition and success for Nuffield.

Matthew Taylor (Chair)

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REFERENCE AND ADMINISTRATIVE INFORMATION

Charity name	The Southampton Nuffield Theatre Trust
Registered & principal office	The Nuffield Theatre University Road 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:

Derek Burke (Cllr)	Southampton City Council (SCC)
Satvir Kaur (Cllr)	Southampton City Council (SCC) resigned 4 August 2016
David Furnell (Cllr)	Southampton City Council (SCC) appointed 25 October 2016
Christopher Carter (Cllr)	Hampshire County Council (HCC)
Ros King	University of Southampton (UoS)

Elected Board Members:

Christopher Edwards (Chair)	resigned 25 October 2016
Matthew Taylor (Chair)	appointed 25 October 2016
Peter Benson LVO FCA	
Anthony Dean	resigned 25 October 2016
Adrian Jackson	
Helen Keall	
Jeremy Meadow	
Maria Mills	resigned 15 June 2016
Edward Rothead	
Jon Ward	

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Executive Team

Sam Hodges Chief Executive

Caroline Routh Deputy Chief Executive

Bankers

NatWest Bank
12 High Street
Southampton
SO14 2BF

Auditors:

Nyman Libson Paul
124 Finchley Road
London
NW3 5JS

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.

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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 the 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

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 these 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 on 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;

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- A commitment to a Creative Case for Diversity, ensuring that the Trust's work genuinely reflects its communities

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

ACHIEVEMENTS AND PERFORMANCE

Nuffield ended 2016/17 with a clear four year plan of delivery across two sites and with a strategy for delivering a multi-artform programme for audiences and participants. Plans are in place for an increased youth theatre offer, putting that at the heart of the new building, and the Trust has developed new engagement strategies, designed to reach out to new communities within the city. Alongside this, Nuffield completed a successful rebrand, ready for its move into a new venue and its future two site operation. The Trust will now be known as Nuffield Southampton Theatres (NST), operating out of NST Campus and NST City.

The Trust continued to co-produce with leading theatres across the country – Headlong, West Yorkshire Playhouse, Leicester Curve, Royal & Derngate – delivering high production values and increased national profile. It also strengthened its connections with artist development organisations around the country, and is starting to be recognised as a key provider of this support.

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, the Trust piloted a new subsidised/commercial investment model for *Fantastic Mr Fox*, allowing it to create and tour work at a large scale.

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. Whilst the delay has the potential to impact on the levels of increased trading income needed to expand the programme, there are also some cost savings associated with a later handover date that are being implemented to reduce the impact.

Nuffield's main achievements over the year included:

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- A nomination for Best Director for Sam Hodges with *The Glass Menagerie* at the UK Stage Awards;
- Growing audiences by 30% over the year
- Transferring *Fantastic Mr Fox* for a four week run at the Lyric, Hammersmith
- Touring nationally and internationally
- Increasing schools bookings to productions from 1,317 in 15/16 to 10,900 in 16/17.

Nuffield remains committed to ensuring that its programme of work can be accessed by as wide and diverse an audience base as possible; in 2016/17 this was supported by:

- Delivering its first ever community chorus within *The Grapes of Wrath*, working with over 160 community members and then replicating this in three other venues around the country;
- Delivering the Southampton contingent for *#We Are Here* – the National Theatre, NOW 14-18 project in commemoration of WWI – and creating a city wide street art engagement project. Across the country, the work was seen by over 2 million people;
- Launching START – a three year programme targeting low arts engaging primary schools in Southampton and reaching, in the first year, 7 schools and 487 children;
- Making it possible for more people to attend performances through the development of accessible pricing structures, including £10 schools' tickets available across the whole programme, 1,850 tickets offered to disadvantaged children, young people, care groups and community groups through a funded free ticket scheme and free bus travel home after a performance;
- Increasing the number of Drama Club sessions from 4 to 5 each week;
- Launching a year-long engagement plan with Eastleigh Mencap, working with individuals with learning difficulties and encouraging independent engagement with theatre through supported theatre trips and associated workshops.

Programme of Activity

Theatre Productions for 2016/17:

Noises Off

A co-production with Nottingham Playhouse and Northern Stage and directed by Nuffield Associate Blanche McIntyre, this brilliant comedy by Michael Frayn was critically well-received and found a large and enthusiastic audience in Southampton, becoming the Trust's highest selling production both in terms of seats and box office income (excluding Christmas).

"The punch-ups and pratfalls are peerlessly executed"

★★★★ The Guardian

Dedication

A new commission from Nick Dear, about the relationship between Shakespeare and the Earl of

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Southampton, ambitiously staged and performed in the round and generating strong local interest. It was hailed by Michael Billington as "*one of the few dramatically plausible portrayals of the writer*".

"A fascinating mystery about Shakespeare in love....finely directed by Sam Hodges ★★★★★
The Telegraph.

Fantastic Mr Fox

Nuffield's most ambitious Christmas show to date, this new adaptation of the Roald Dahl story also became its highest grossing show. It was seen by nearly 23,000 people at home, before going on a national and international tour which continued into 2017/18.

"...a whisker-licking treat" ★★★★★ The Times

The Grapes of Wrath

An epic staging of the Frank Galati version of this classic American story, directed by Nuffield's Associate Director Abbey Wright and reflecting current issues around migration and displacement. It was produced in partnership with Nottingham Playhouse, Royal & Derngate and West Yorkshire Playhouse, and featured a large community chorus, drawn from the local community at each venue.

"a production that tackles a classic with courage, freshness and verve." ★★★★★ The Times

Nuffield Youth Productions:

This year saw the Trust's Youth Theatre involved in four productions: **The Odyssey** and **Consensual** both on the main stage; **No Border** performed at the Hythe Waterside Festival and **Monstrum** which was seen both in the Nuffield Studio and at the Egg in Theatre Royal Bath as part of the NT Connections Festival. In addition, Hampshire County Youth Theatre (a summer project) created a new production: **Slingshot**, in collaboration with Frantic Assembly, which was performed in the round at NST Campus.

"...a ferociously talented young cast from Nuffield Youth Theatre" Daily Echo

Other activity during the year:

Nuffield's artist development programme, Laboratory, focused on building national networks for its artists, being one of only 4 organisations invited to be part of *All Tomorrow's Theatre* at Battersea Arts Centre. It also made up part of a small cohort for *This is Tomorrow 16* at Warwick University which connected Nuffield's artists with academics, venues and other artists, sparking new theatrical ideas. Nuffield also became a regional partner of the JMK Trust, supporting emerging directors.

The Trust delivered its most successful presented season to date, with critically acclaimed shows such as **The 39 Steps**, **Institute** and Kneehigh's **The Flying Lovers of Vitebsk** all exceeding target. The Trust also continued with its regular programme of children's work during school holidays including Roald Dahl's **The Twits** and Julia Donaldson's **Gruffalo's Child** and **Room on the Broom**.

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Over the year, Nuffield more than doubled attendance to in-house productions, reaching audiences of 55,326 in the year, with overall attendances at the venue reaching 72,952; of these, 25,691 were first time attenders. A further 65,115 attendances were achieved through tours and co-productions, an increase of 95% from the previous year.

The Trust increased NST box office income to £728,000, up from £502,000 in the previous year. There was a further addition of £349,000 box office share from the **Fantastic Mr Fox** tour bringing ticket income to a total of £1,077,000, representing growth across the group of 228%. It also increased its bar and catering turnover to £188,000 from £165,000.

Through a year round programme of workshops and project, Nuffield reached just over 20,000 participants via a total of 630 sessions.

Nuffield continued to build its fundraising relationships and support. Key successes in the year included £20,000 from Garfield Weston towards a flexible seating system in the new building; £60,000 from Fidelity which purchased a new programming and scheduling system which will be integral in allowing the Trust to manage its multiple spaces in the most efficient manner; and £20,000 from the Linbury Foundation towards the design element of *Fantastic Mr Fox*.

Nuffield has also launched a new Founding Friends Scheme, to celebrate the opening of Studio 144, and particularly targeted at local businesses.

Positive factors

Nuffield completed a rebrand, ahead of its move into Studio 144. This was designed to provide an overarching brand for the company, whilst distinguishing between its two distinct venues. It has now been successfully rolled out and is laying effective groundwork for when the two venues are operating.

Nuffield piloted a new subsidised/commercial investment model, which generated significant private investment into **Fantastic Mr Fox**. This production was able to be created at a scale that could tour to large scale venues, increasing income potential, and will now be considered for future touring work.

Negative factors

The delays to the construction programme on Studio 144 have continued to create significant issues for the Trust, necessitating detailed re-planning exercises and losing further trading income. It has also proved increasingly difficult to build interest and excitement around the new building, currently scheduled to open in Christmas 2017, over a year later than originally planned. Fortunately it has been possible to run a full programme of activity within the existing theatre, which has enabled the Trust to maintain its public profile and connections with its audiences and community groups.

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FINANCIAL REVIEW

a. Financial position

For a third consecutive year the financial results continued to be influenced by uncertainties in terms of planning, implementation and related costs surrounding the timing of the opening of NST City; further delayed and now thought to be likely right at the end of 2017. The setback did however as a result provide the opportunity to save certain costs that had been anticipated to fall in the year, and an operational surplus of £128,000 was achieved in it, against that of £292,000 in the previous year. Inevitably the costs saved in the year will have to be picked up in the current year as NST City comes into operation, and an operational loss is forecast as the financial impact of working of two theatres together is properly assessed and balanced.

The year itself was influenced by a one off production of Fantastic Mr Fox, in conjunction with the Curve Theatre in Leicester, which opened at the Nuffield and then toured to 18 other venues. The results of that production during its time at the Nuffield are shown separately in the table that follows below.

Taken together there was a most pleasing 112% increase in box office income in the year, and the overall percentage of seats sold increased to 52% of capacity

Less beneficially, production costs continued to exceed box office income to a level that is moving close to double the value of the latter. This approach has been supported by the Board to date, as it is believed that the investment in high quality production values has contributed to raised ticket sales. The gain from co-production income received from other venues, which increased significantly in the year, together with the improving benefit from theatre tax relief, were also helpful in ameliorating to a degree the scale of production costs. However, for the future it is recognised that addressing this adverse imbalance with box office income will continue to be a priority, given that there is current a greater reliance upon public funding than is likely to be sustainable in the longer term once NST City is fully operational.

In the year there were, at a more modest quantum level, helpful increases in private grant and donation funding and other income.

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

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Summarized Income and Expenditure account

	Southampton Nuffield Theatre's Ltd (NST)		Fox Dub Productions Ltd	Consol NST and Fox Dub Group.
	2015/16	2016/17	2016/17	2016/17
Box Office Income	539	782	360	1,142
Production Costs	(787)	(1,514)	(521)	(2,035)
	(248)	(732)	(161)	(893)
Co-production Income	145	529		529
Theatre Tax Relief	130	228	80	308
	27	25	(81)	(56)
Public Subsidy and Grant Funding	1,650	1,525		1,525
Private grant and donation Funding	70	184		184
	1,720	1,709		1,709
Other income	285	281		281
Total income (net of production costs)	2,032	2,015	(81)	1,934
expenditure (net of production costs)	(1,740)	(1,762)	-	(1,762)
Net income for the year	292	253	(81)	172
Less capital element of grant funding	(9)			
Operational result for the year	283	253	(81)	172
Movement on restricted reserves	-	(44)	-	(44)
Reconciliation to SOFA	283	209	(81)	128

b. Reserves policy

It remains the Trustees' policy to maintain general unrestricted reserves at a figure which represented at least a minimum of three months' operating expenditure, currently £150,000, and this position was comfortably exceeded through the year. It is however recognised that the company's current level of unrestricted reserves (£586,000) have been put in place to mitigate against the fact that significant additional costs associated with operating NST City will be incurred before income can be built up to match and exceed them. Whilst reserves will therefore drop over the next two to three years, efforts will be made to maintain a level of no less than £150,000. This level will be reviewed regularly to ensure that, as overheads increase, it continues to cover a minimum of three months' operating expenditure.

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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.

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 a similar 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.

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 45% growth on ticket sales in the past year and strategies are also in place within the overall programme envelope to balance loss of income on one performance with increased income elsewhere.

PLANS FOR FUTURE PERIODS

Artistic plans for 2016/17 and 2017/18 plus any more general aims

Productions for 2017/18.

A modern reimagining of the George Bernard Shaw classic, **Pygmalion** was co-produced in April 2017 with West Yorkshire Playhouse and Headlong.

The Trust plans to move into its new theatre in the autumn of 2017, with an opening weekend launching this building in Christmas of the same year.

Nuffield will launch its new building with a new commission from Howard Brenton – **The Shadow Factory** - based on the Spitfire story which is of particular significance for Southampton. The production will include a community chorus and is being designed by 59 Productions.

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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 Board has two standing committees, responsible for Finance and Audit and for Human Resources.

Finance and Audit Committee

Peter Benson (Chair)

Helen Keall

Jeremy Meadow

Human Resources Committee

Jon Ward (Chair)

Edward Rothead

Helen Keall

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.

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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.

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 approved by the Trust.

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

e. 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.

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.

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f. 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 and formally reviewed by the Board.

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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;
- 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.

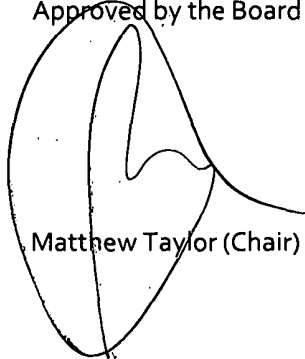
AUDITORS

The auditors, Nyman Libson Paul, are deemed to be appointed under section 487(2) of the Companies Act 2006, having successfully tendered for the audit.

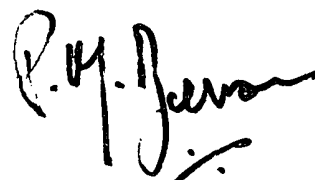
This report has been prepared in accordance with the accounting policies set out in note 1 to the Financial Statements and complies with the charity's Memorandum and Articles of Association, the special provisions relating to small companies within Part 15 of the Companies Act 2006, and the Statement 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).

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Approved by the Board on 24 October 2017 and signed on its behalf by:



Matthew Taylor (Chair)



PETER BENSON LVO FCA

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SOUTHAMPTON NUFFIELD THEATRE TRUST

We have audited the Financial Statements of The Southampton Nuffield Theatre Trust for the year ended 31 March 2017 set out on pages 19 to 41. 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).

This report is made solely to the charitable Trust'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 Trust's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable Trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable 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 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 group's and the parent Trust'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' 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.

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the group's and the parent charitable Trust's affairs as at 31 March 2017 and of the group's 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; 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' Report, incorporating the Group Strategic Report, for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

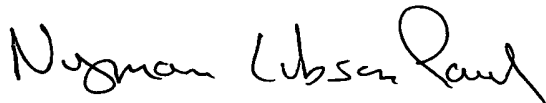
THE SOUTHAMPTON NUFFIELD THEATRE TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SOUTHAMPTON NUFFIELD THEATRE TRUST

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:

- the parent charitable Trust has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable Trust Financial Statements are not in agreement with the accounting records and returns; or
- 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.



Jennifer Pope (Senior Statutory Auditor)

for and on behalf of

Nyman Libson Paul

Chartered Accountants
Statutory Auditors

Regina House
124 Finchley Road
London
NW3 5JS

Date:

24 October 2017

THE SOUTHAMPTON NUFFIELD THEATRE TRUST
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:					
Donations and legacies	2	24,731	-	24,731	8,765
Charitable activities	3	3,337,462	259,064	3,596,526	2,721,325
Other trading activities	7	64,719	-	64,719	79,796
Investments	8	644	-	644	333
Total income		3,427,556	259,064	3,686,620	2,810,219
Expenditure on:					
Raising funds	10	193,032	-	193,032	100,996
Charitable activities	9	3,125,748	240,116	3,365,864	2,416,808
Total expenditure		3,318,780	240,116	3,558,896	2,517,804
Net movement in funds		108,776	18,948	127,724	292,415
Reconciliation of funds:					
Total funds brought forward		477,112	593,174	1,070,286	777,871
Total funds carried forward		585,888	612,122	1,198,010	1,070,286

The notes on pages 23 to 41 form part of these financial statements.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 01711502

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	14		623,166		701,899
Current assets					
Stocks	16	5,933		4,673	
Debtors	17	841,884		410,560	
Cash at bank and in hand		692,272		512,533	
		<u>1,540,089</u>		<u>927,766</u>	
Creditors: amounts falling due within one year	18	<u>(820,245)</u>		<u>(559,379)</u>	
Net current assets			<u>719,844</u>		<u>368,387</u>
Total assets less current liabilities			<u>1,343,010</u>		<u>1,070,286</u>
Creditors: amounts falling due after more than one year	19		<u>(145,000)</u>		<u>-</u>
Net assets			<u><u>1,198,010</u></u>		<u><u>1,070,286</u></u>
Charity Funds					
Restricted funds	21		612,122		593,174
Unrestricted funds	21		585,888		477,112
Total funds			<u><u>1,198,010</u></u>		<u><u>1,070,286</u></u>

The financial statements were approved by the Board on 24th October 2017 and signed on its behalf, by:

MATTHEW TAYLOR

PETER BENSON LVO FCA

The notes on pages 23 to 41 form part of these financial statements.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 01711502

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	14		623,166		701,899
Investments	15		4		3
			<u>623,170</u>		<u>701,902</u>
Current assets					
Stocks	16	5,933		4,673	
Debtors	17	889,484		410,557	
Cash at bank and in hand		434,428		512,533	
		<u>1,329,845</u>		<u>927,763</u>	
Creditors: amounts falling due within one year	18	(673,445)		(559,379)	
Net current assets			656,400		368,384
Net assets			<u>1,279,570</u>		<u>1,070,286</u>
Charity Funds					
Restricted funds	21		670,126		593,174
Unrestricted funds			609,444		477,112
Total funds			<u>1,279,570</u>		<u>1,070,286</u>

The financial statements were approved by the Board on 24th Oct 2017 and signed on its behalf, by:



PETER BENSON LVO FCA

The notes on pages 23 to 41 form part of these financial statements.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST
(A Company Limited by Guarantee)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	23	44,153	394,892
Cash flows from investing activities:			
Dividends, interest and rents from investments		644	333
Purchase of tangible fixed assets		(10,058)	(85,226)
Net cash used in investing activities		(9,414)	(84,893)
Cash flows from financing activities:			
Cash inflows from new borrowings		145,000	-
Net cash provided by financing activities		145,000	-
Change in cash and cash equivalents in the year		179,739	309,999
Cash and cash equivalents brought forward		512,533	202,534
Cash and cash equivalents carried forward	24	692,272	512,533

The notes on pages 23 to 41 form part of these financial statements.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

The Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of Financial Activities (SOFA) and Statement of Financial Position consolidate the financial statements of the Trust and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

No separate SOFA has been presented for the Trust alone as permitted by section 408 of the Companies Act 2006.

1.2 Going concern

The Trust has reported an overall surplus for the year of £127,724 (2016: £292,415) but remains significantly dependent on public funding by way of grants, principally from the Arts Council and Southampton City Council, as it implements its restructuring and redevelopment programme.

Largely as a consequence of the additional costs and expenditure necessitated by the opening of its new City Centre venue in Autumn 2017, the Trust is forecasting a substantial deficit for the financial year ending 31 March 2018. The Arts Council has conditionally agreed continued funding of the Trust for the next 4 years, subject to approval of the trustees business plan and the Board is confident that this will be confirmed shortly.

The Board is satisfied with the Trust's current free reserves and considers that adequate resources are available to fund its activities and projected deficit at 31 March 2018 and its forecast results thereafter.

Accordingly, the Board considers and concludes that it is appropriate to prepare the financial statements on the going concern basis.

1.3 Company status

The Trust is a company limited by guarantee. The members of the Trust are the Trustees named on page 2. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £100 per member of the Trust.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. Accounting Policies (continued)

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Trust for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.5 Income

All income is recognised once the Trust has entitlement to it, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from charitable activities, which includes income received under contract and from grant funding, is recognised as earned.

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 receipts and the amounts 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 regarded as restricted funds.

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 as an estimate based on the value of the contribution.

Investment income

Investment income is recognised on a receivable basis.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. Accounting Policies (continued)

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities include expenditure associated with the production and presentation of theatrical productions and educational programmes, at the theatre and other venues, and include both the direct 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 note 9.

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 note 9.

1.7 Basis of consolidation

The financial statements consolidate the accounts of the Trust and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

The Trust has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own income and expenditure account.

The income and expenditure account of the Trust indicates a surplus for the year of £209,231 (2016 - £292,415).

1.8 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that its carrying value may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

THE SOUTHAMPTON NUFFIELD THEATRE TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. Accounting Policies (continued)

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the Bank.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount 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 at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

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.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting Policies (continued)

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 pensions schemes operated by these Unions. Pension contributions are charged to the Financial Statements in the period in which they fall due.

1.16 Critical accounting estimates and areas of judgement

The preparation of the financial statements requires the use of judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Tangible assets

Tangible assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Accruals

An estimate of accruals at the year end is made based on invoices received after the year end and work undertaken which has not been invoiced based on quotations or estimates of amounts that may be due for payment.

2. Income from donations and legacies

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	24,731	-	24,731	8,765

In 2016, of the total income from donations and legacies, £5,285 was to unrestricted funds and £3,480 was to restricted funds.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

3. Income from charitable activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Box office (see note 4)	1,126,332	-	1,126,332	538,662
Other project income	286,263	-	286,263	152,323
Artistic hires	45,551	-	45,551	47,140
Audience trading (see note 5)	145,004	-	145,004	141,412
Theatre tax relief	266,368	-	266,368	121,564
Grants (see note 6)	1,467,944	259,064	1,727,008	1,720,224
	<u>3,337,462</u>	<u>259,064</u>	<u>3,596,526</u>	<u>2,721,325</u>

In 2016, of the total income from charitable activities, £2,655,425 was to unrestricted funds and £65,900 was to restricted funds.

4. Box office

	Unrestricted £	Restricted £	Total 2017 £	Total 2016 £
Nuffield Theatre Productions	358,706	-	358,706	229,003
Fox Cub Productions	349,230	-	349,230	-
	<u>707,936</u>	<u>-</u>	<u>707,936</u>	<u>229,003</u>
Other				
Adult visiting companies	159,142	-	159,142	103,444
Alternative nights	101,922	-	101,922	87,382
Kids' Saturday theatre	94,162	-	94,162	22,299
Youth theatres and Workshops	53,657	-	53,657	96,534
Other	9,513	-	9,513	-
	<u>1,126,332</u>	<u>-</u>	<u>1,126,332</u>	<u>538,662</u>

THE SOUTHAMPTON NUFFIELD THEATRE TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

5. 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 £	Restricted £	2017 £	2016 £
Audience trading				
Bar - evening	66,597	-	66,597	64,438
Ices and confectionery	51,806	-	51,806	45,007
Food	19,752	-	19,752	28,399
Merchandise and programme sales	6,849	-	6,849	3,568
Total	145,004	-	145,004	141,412

In 2016, all audience trading income was unrestricted.

6. Grants

	Unrestricted £	Restricted £	2017 £	2016 £
ACE	974,349	-	974,349	974,349
SCC	295,261	-	295,261	295,161
UoS	174,379	-	174,379	174,379
HCC	23,955	-	23,955	47,910
Other	-	4,553	4,553	37,000
ACE backstage works	-	-	-	9,000
Comptons	-	-	-	32,900
Studio 144	-	57,681	57,681	149,525
Fidelity	-	60,000	60,000	-
Esmee Fairbairn Foundation	-	55,000	55,000	-
Beaulieu Beaufort Foundation	-	4,400	4,400	-
Barker Mills	-	33,000	33,000	-
Linbury Trust	-	20,000	20,000	-
Garfield Weston Foundation	-	20,000	20,000	-
D'Oyly Carte	-	4,430	-	-
Total	1,467,944	259,064	1,722,578	1,720,224

In 2016, £1,654,324 was unrestricted income and £65,900 was restricted income.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

7. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Sponsorship	1,100	-	1,100	1,800
Friends of Nuffield Theatre	2,441	-	2,441	1,381
Other fundraising	900	-	900	7,085
Royalties and residencies income	20,616	-	20,616	45,455
Other earned income	39,662	-	39,662	24,075
	<u>64,719</u>	<u>-</u>	<u>64,719</u>	<u>79,796</u>

In 2016, all other trading activities income was unrestricted.

8. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest received	644	-	644	333

In 2016, all investment income was unrestricted.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

9. Expenditure on charitable activities

	Nuffield and Fox Cub Productions £	Other productions £	Primary trading £	Other activities £	Total 2017 £	Total 2016 £
Direct project costs - Nuffield	1,074,070	-	-	-	1,074,070	777,408
Direct project costs - Fox Cub	424,422	-	-	-	424,422	-
Youth Theatre	-	24,758	-	-	24,758	102,509
Research & development	-	-	-	67,980	67,980	55,117
Marketing	215,924	137,406	-	39,259	392,589	237,251
FOH trading - directly allocated	-	-	36,913	-	36,913	41,951
FOH - apportioned	-	-	44,185	-	44,185	43,091
Production & FOH - directly allocated	8,888	(11,262)	-	-	(2,374)	44,134
Production & FOH - apportioned	215,487	28,731	28,731	14,368	287,317	199,540
Touring & projects	75,994	62,177	-	-	138,171	124,120
Visiting companies	-	292,690	-	-	292,690	183,201
	<u>2,014,785</u>	<u>534,500</u>	<u>109,829</u>	<u>121,607</u>	<u>2,780,721</u>	<u>1,808,322</u>

	2017	2016
As above	£2,780,721	£1,808,322
Support and governance costs (analysis overleaf)	£585,143	£608,486
Total charitable activities	£3,365,864	£2,416,809

THE SOUTHAMPTON NUFFIELD THEATRE TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

Support and governance costs

	Charitable activities £	Generating funds £	Voluntary income £	2017 £
Management expenses	152,436	77,391	4,690	234,517
Box office	63,250	3,329	-	66,579
Other staff costs	27,680	3,076	-	30,755
Premises - maintenance charges	28,982	-	-	28,982
Premises - utility/cleaning	34,776	3,864	-	38,640
Premises - storage	30,029	3,337	-	33,366
Premises - other	772	86	-	858
Printing, postage and stationery	14,675	1,304	326	16,306
Organisational development	25,786	8,595	8,595	42,976
IT	35,342	3,927	-	39,269
Audit	12,276	1,444	722	14,442
Depreciation	88,792	-	-	88,792
Other	70,347	7,911	-	79,110
Total	585,143	114,264	14,333	714,592

10. Expenditure on raising funds

	2017 £	2016 £
Generating funds - support costs	114,264	34,147
Voluntary income - support costs	14,333	16,912
Salaries - fundraising	40,797	9,717
Employers NI - fundraising	2,507	1,266
Other fundraising costs	5,908	2,254
Family membership costs	55	19
Subscriptions - fundraising	465	359
Trading costs	14,703	36,322
Total	193,032	100,996

11. Net incoming resources

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	88,791	89,228

During the year, the Trustees were reimbursed £396 of expenses (2016 - £NIL). No Trustee received any remuneration, nor any benefits in kind.

THE SOUTHAMPTON NUFFIELD THEATRE TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

12. Staff costs

	2017 £	2016 £
Wages and salaries	1,048,597	804,075
National insurance	88,744	60,713
Pension costs	9,980	9,306
Total	1,147,321	874,094

There were no employees with emoluments exceeding £60,000 (2016: none).

Staff numbers

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

	2017 £	2016 £
Production	33	30
Administration	23	19
Total	56	49

	2017 £	2016 £
Part time	25	25
Full time	31	24
Total	56	49

Key management personnel

	2017 £	2016 £
Remuneration of key management personnel	129,724	145,209

13. Auditors' remuneration

	2017 £	2016 £
Audit fee	14,442	17,900

THE SOUTHAMPTON NUFFIELD THEATRE TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

14. Tangible fixed assets

Group and Trust	Long-term leasehold property £	Motor vehicles £	Computer equipment £	Theatre equipment £	Total £
Cost					
At 1 April 2016	1,875,391	21,336	246,949	591,244	2,734,920
Additions	-	-	6,978	3,080	10,058
Disposals	(126,498)	-	(133,472)	(107,368)	(367,338)
At 31 March 2017	1,748,893	21,336	120,455	486,956	2,377,640
Depreciation					
At 1 April 2016	1,539,137	13,813	236,696	243,375	2,033,021
Charge for the year	29,153	2,508	6,153	50,977	88,791
On disposals	(126,498)	-	(133,472)	(107,368)	(367,338)
At 31 March 2017	1,441,792	16,321	109,377	186,984	1,754,474
Net book value					
At 31 March 2017	307,101	5,015	11,078	299,972	623,166
At 31 March 2016	336,254	7,523	10,253	347,869	701,899

15. Fixed asset investments

Trust	Shares in group undertakings £	
At 1 April 2016		3
Additions		1
At 31 March 2017		4
	2017	2016
	£	£
Nuffield Productions Limited	1	1
Southampton Nuffield Theatre Trading Limited	2	2
Fox Cub Productions Limited	1	-
Total	4	3

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Company name	Country	Percentage Shareholding	Class
Nuffield Productions Limited	England & Wales	100	Ordinary
Southampton Nuffield Theatre Trading Limited	England & Wales	100	Ordinary
Fox Cub Productions Limited	England & Wales	100	Ordinary

Southampton Nuffield Theatre Trading company Limited (company number 02770478) remains dormant. The aggregate capital and reserves at 31 March 2017 were £2 (2016: £2).

16. Stocks

	Group		Trust	
	2017	2016	2017	2016
	£	£	£	£
Front of house	5,933	4,673	5,933	4,673

17. Debtors

	Group		Trust	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	390,332	109,361	214,214	109,361
Amounts owed by group undertakings	-	-	351,216	131,616
Other debtors	1,406	206,568	1,405	74,949
Prepayments and accrued income	450,146	94,631	322,649	94,631
	841,884	410,560	889,484	410,557

**18. Creditors:
Amounts falling due within one year**

	Group		Trust	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	180,013	144,403	137,677	144,403
Taxation and social security	79,098	30,850	29,030	30,850
Other creditors	5,888	4,801	5,888	4,801
Accruals and deferred income	555,246	379,325	500,850	379,325
	820,245	559,379	673,445	559,379

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19. Creditors:
Amounts falling due after more than one year

	Group		Trust	
	2017	2016	2017	2016
	£	£	£	£
Other creditors	145,000	-	-	-

Other creditors comprise advances from investors towards the touring production of Fantastic Mr Fox. These advances are only repayable once the production is in recoupment.

20. Financial instruments

	2017	2016
	£	£
Financial assets measured at amortised cost	391,738	315,929
Financial liabilities measured at amortised cost	264,999	180,054

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

21. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
Designated funds				
Sponsored Asset Fund	57,452	-	(15,493)	41,959
Contingency Fund	-	100,000	-	100,000
	<u>57,452</u>	<u>100,000</u>	<u>(15,493)</u>	<u>141,959</u>
General unrestricted funds				
General Funds - all funds	419,660	3,327,556	(3,303,287)	443,929
Total Unrestricted funds	<u>477,112</u>	<u>3,427,556</u>	<u>(3,318,780)</u>	<u>585,888</u>
Restricted funds				
Lottery refurbishment	232,615	-	(10,904)	221,711
Foyer refurbishment	54,867	-	(2,572)	52,295
2015 capital works	297,258	-	(42,466)	254,792
Esmee Fairbairn Foundation	6,000	55,000	(50,524)	10,476
HYT residential	(10)	-	-	(10)
Barker Mills	1,000	33,000	(34,000)	-
Stage 1 apprentice	1,444	-	(1,444)	-
Fidelity	-	60,000	(7,142)	52,858
Southampton City Council	-	57,681	(57,681)	-
Linbury Trust	-	20,000	(20,000)	-
Garfield Weston Foundation	-	20,000	-	20,000
Westminster Foundation	-	4,553	(4,553)	-
Beaulieu Beaufort Foundation	-	4,400	(4,400)	-
D'Oyly Carte	-	4,430	(4,430)	-
	<u>593,174</u>	<u>259,064</u>	<u>(240,116)</u>	<u>612,122</u>
Total of funds	<u>1,070,286</u>	<u>3,686,620</u>	<u>(3,558,896)</u>	<u>1,198,010</u>

Designated funds

The Sponsored Asset 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 this 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.

During the year a contingency fund has been set up to cover poor box office performance or unexpected expenditure incurred in the new venue.

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds (continued)

Restricted funds

i) The Lottery Refurbishment Fund represents the external funding, received 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 Fund represents net grants and donations 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 Esmée Fairbairn Foundation supports the Laboratory Department and early career development opportunities for emerging artists. The Foundation has given the Trust three years of support and £10,476 relates to a portion of the first year's funding. It was mutually agreed to carry over, to provide seed funding for a series of small scale local projects for emerging artists.

vi) The Barker- Mill Foundation supported the range of work delivered by NST's Connect Department- schools, children / young people and community engagement projects.

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

viii) The Fidelity Grant funds the purchase and installation of Artifax, a venue management software system, and a salary for the first year to implement this new system.

ix) Southampton City Council (SCC) - This grant from Southampton City Council supported Nuffield Southampton Theatres re-brand to a multi-venue operation and communication transition work in preparation to the move into NST City.

x) The Linbury Trust supported the production design for Fantastic Mr Fox at NST and on tour.

xi) The Garfield Weston Foundation contributed toward the design and build of the new flexible seating system at NST City.

xii) Westminster Foundation supported the Start project which provides local schools workshops, resources and tickets to the theatre and to achieve Artsmark Award certification in local schools.

The Beaulieu Beaufort Foundation supported local schools' workshops, backstage tours and local school theatre tickets for NST's production of Dedication.

D'Oyly Carte supported the Start project which provides local schools workshops, resources and tickets to the theatre and to deliver the Artsmark Award in local schools.

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**NOTES TO THE FINANCIAL STATEMENTS
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Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
Designated funds	57,452	100,000	(15,493)	141,959
General funds	419,660	3,327,556	(3,303,287)	443,929
	<u>477,112</u>	<u>3,427,556</u>	<u>(3,318,780)</u>	<u>585,888</u>
Restricted funds	593,174	259,064	(240,116)	612,122
	<u>1,070,286</u>	<u>3,686,620</u>	<u>(3,558,896)</u>	<u>1,198,010</u>

22. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Tangible fixed assets	94,368	528,798	623,166	701,899
Current assets	1,456,765	83,324	1,540,089	927,766
Creditors due within one year	(820,245)	-	(820,245)	(559,379)
Creditors due in more than one year	(145,000)	-	(145,000)	-
	<u>585,888</u>	<u>612,122</u>	<u>1,198,010</u>	<u>1,070,286</u>

23. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net income for the year (as per Statement of financial activities)	127,724	292,415
Adjustment for:		
Depreciation charges	88,791	89,228
Losses on investments	(644)	(333)
(Increase) in stocks	(1,260)	(123)
(Increase) in debtors	(431,324)	(208,442)
Increase in creditors	260,866	222,147
Net cash provided by operating activities	<u>44,153</u>	<u>394,892</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	692,272	512,533
Total	<u>692,272</u>	<u>512,533</u>

25. Operating lease commitments

At 31 March 2017 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	39,404	49,928
Between 1 and 5 years	83,447	98,676
Total	<u>122,851</u>	<u>148,604</u>

26. Related party transactions

No Board member received any emolument or payment for professional or other services during the year.

University of Southampton

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

	2017 £	2016 £
Incoming resources		
Core and additional grants	174,379	174,379
Other income	-	25,335
	<u>174,379</u>	<u>199,714</u>
Resources expended		
Maintenance charges	(28,982)	(25,441)
Utilities and cleaning	(38,640)	(33,170)
Other charges	-	(2,838)
	<u>(67,622)</u>	<u>(61,449)</u>
Net incoming resources	<u>106,727</u>	<u>138,265</u>

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27. Post balance sheet events

The Trust's lease at the University, which formally expired in July 2017, is currently being renegotiated for a further 20 year period.