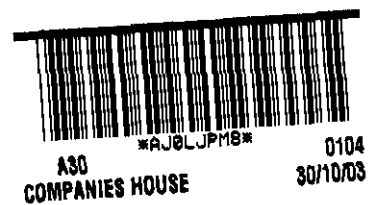


**THE LAWNMOWERS INDEPENDENT
THEATRE COMPANY**
(A company without share capital
limited by guarantee)

TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002



Company No 3995521

Charity No 1084229

THE LAWNMOWERS INDEPENDENT THEATRE COMPANY
(A company without share capital limited by guarantee)

Year Ended 31 December 2002

Charity Information

TRUSTEES AND DIRECTORS:

G Howe	- resigned 24/4/02
D Price	
D Heathcote	- resigned 27/8/02
M Parker	
I Parker	- resigned 16/1/02
A Broughton	
D Soulsby	- appointed 16/1/02
K Zeserson	- appointed 16/1/02
T Keilty	- appointed 20/3/02
B Ford	- appointed 18/10/02

SECRETARY:

T Keilty

REGISTERED OFFICE:

Swinburne House
Swinburne Street
Gateshead
Tyne & Wear
NE8 1AX

BANKERS:

Lloyds TSB Bank Plc
102 Grey Street
Newcastle upon Tyne
NE1 6AG

ACCOUNTANTS:

Richardson Hall Kennedy & Co
Chartered Accountants
Coburg House
1 Coburg Street
Gateshead
NE8 1NS

THE LAWNMOWERS INDEPENDENT THEATRE COMPANY
(A company without share capital limited by guarantee)

Year Ended 31 December 2002

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THE LAWNMOWERS INDEPENDENT THEATRE COMPANY
(A company without share capital limited by guarantee)

Directors' and Trustees' Report for the year ended 31 December 2002

The Directors and Trustees present their report and accounts for the year ending 31 December 2002.

Objects of the Charity, Principal Activities and Organisation of our work

The charity is constituted as a company limited by guarantee and is, therefore, governed by a Memorandum & Articles of Association.

Activities

The Lawnmowers Independent Theatre Company was established in 1986 and has operated as an independent organisation since 1 January 2001.

The company was established to advance education for public benefit by the promotion of the arts, in particular but not exclusively the art of drama.

Late in 2001 the company took on its own premises. 2002 has been exciting for the company in that it has managed to secure funding to have the new premises refurbished to give it a large rehearsal space which will enable the Lawnmowers to give performances for many more people as well as being able to make use of the space to host other activities such as workshops and training for the Krocodile Krew. The space will also become available to host events by the Liberate Project Apprentices (see below). Achievements during the year include:

The company underwent an independent business review in the first quarter of 2002 and the Trustees were able to utilise the advice to restructure staffing requirements to best meet the company's needs. The restructure included the recruitment of a Director who has overall responsibility for management, fundraising, finance and artistic development. The company also recruited a Company Assistant who is responsible for the clerical work in the company. Once the restructure took place, the staff set about installing and/or improving systems which best met the needs of the company and which enabled its members to concentrate on its performances and artistic development.

In 2001, the company researched, devised and started to rehearse their new play, which concentrates on the Government's new white paper 'Valuing People'. The show is called 'Walk the Walk' and it was ready for its regional launch in July 2002. The launch took place at Gateshead's Caedmon Hall where a number of people with learning difficulties, their carers (staff and relatives) and officials, joined the audience. The show was a great success and has enjoyed continued success during 2002. The company has toured the region extensively with the show and has also taken part in national conferences, workshops and events, which have also been a great success.

The company are very excited about the expansion of their current Krocodile Klub, which seeks to provide a much-needed social activity for people with learning difficulties. The expansion of the Klub will enable the Lawnmowers to take on a 'Krocodile Krew' who will be offered training in technical equipment and also in the administrative aspects of running an event. It is then expected that the Krew will go on to participate in tours, to assist in running the Klubs and many more exciting opportunities.

The company, through a new Project Co-ordinator, has managed to secure funding to set up and run an accredited Apprenticeship Scheme for ten apprentices with learning difficulties. The scheme will be called the Liberate Project (the freedom project) and the Apprentices will be educated in physical theatre with the end aim/objective being that they will form their own company. The development and transition from apprentice to forming a company will be documented via video and reports and photographs and it is hoped that this

THE LAWNMOWERS INDEPENDENT THEATRE COMPANY
(A company without share capital limited by guarantee)

Directors' and Trustees' Report for the year ended 31 December 2002

transitional path will form a model of good practice for other groups wishing to do the same.

A company member secured private funding for a research trip to America to pursue his dream of visiting the birthplace and home of Elvis Presley. The research from the trip has provided the means for a new show for the company which looks at the life of Elvis Presley, his rise to fame, his life and his impact on the world. The show will involve a live band who are taking part on behalf of Co-Musica from The Sage Gateshead and will be a means for the Lawnmowers to use their experience and training to help people with learning difficulties to participate in and gain experience in making music and expressing their life-long dreams, as well as exploring how their dreams can come true and by what means. The show is in its beginning stages of being devised and the company is due to start rehearsing at the beginning of the new year. A regional tour is planned for the first and second quarter of the new-year.

The company has secured funding to develop and devise a national touring plan. The plan will enable the company to expand its existing actors and form a group that will be able to tour nationally on demand. People with learning difficulties will be enlisted to assist with the tour developments from the outset and will receive training in administration, in attending meetings and in forming the initiative in general. It is expected that this will be able to start in the second quarter of 2003. The Elvis Experience will be developed to encompass a national audience and it is hoped that it will be the first show to be undertaken as part of the new national touring plan.

Plans for the forthcoming year include:

- Continuing with the tour of the Walk the Walk.
- The completion and regional tour of the company's new show 'The Elvis Experience'.
- The formation and development of a Krocodile Krew and their subsequent training.
- Starting the Apprenticeship Scheme.
- The formal opening of the new space.
- The development of a national touring strategy and development of the Elvis Experience to encompass a national audience.
- The company members and staff intend to develop their business acumen by enlisting a training officer who will be responsible for providing training in business skills. The skills desired/required have been identified and will be delivered via an intensive training programme.

Structure and Staffing

The company consists of 5 members who carry out the creative and dramatic activities of the group. They are:

- Andy Stafford
- Paul King
- June Keenleyside
- Nick Heron
- Sharon Harrison

There are three members of staff, who are responsible for the day-to-day management and administration of the company and help in creative development. They are:

- Geraldine Ling - Director
- Andy Stafford - Outreach Worker
- Dawn Redhead - Company Assistant

THE LAWNMOWERS INDEPENDENT THEATRE COMPANY
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Directors' and Trustees' Report for the year ended 31 December 2002

There are two Project Co-ordinators who run the Apprenticeship Scheme and the Krokodile Klub training initiative. Funding was secured for the co-ordinators in September and December respectively and they are:-

- Robert Huggins – Apprenticeship Scheme Project Coordinator
- Belinda Croce – Krokodile Klub Project Coordinator

In addition, the Lawnmowers work with a wide variety of other professionals and take on contract and short-term support as necessary.

The board of trustees is responsible for the longer-term planning and direction of the company. The board meets six times each year together with the members and staff and also hold separate finance and staffing meetings which also include members and staff.

The company co-operates with a wide variety of other organisations working within the arts and charitable sectors, and its board of trustees includes representatives from Mencap.

Reserves Policy

It is the policy of the Lawnmowers to maintain unrestricted funds, which are the free reserves of the company and we aim to maintain a level that equates to approximately 3-6 months' running costs within two years. This will provide sufficient funds to cover management, administration and support costs.

Risk Management

The trustees are responsible for keeping proper accounting records and safeguarding the assets of the company. They have assessed the major risks the company is exposed to, in particular those relating to the operations and finances of the company. They are satisfied that systems are in the place to mitigate exposure to major risks.

Legal Information

The Lawnmowers Independent Theatre Company Ltd operates under Memorandum and Articles of Association. It is a charity registered in England and Wales (Charity reg. no. 1084229) and is a company limited by guarantee, (reg. no. 3995521).

The founding trustees of the charity were appointed via election by the Lawnmowers according to experience. The trustees were appointed by a majority vote of the trustees present at a normal trustees meeting. The trustees of the charity are:

- Amy Broughton, appointed: 24 April 2001, representing Mencap
- David Price, appointed: 20 July 2000
- Margaret Parker, appointed: 4 December 2000
- Diane Soulsby, appointed: 16 January 2002
- Katherine Zeserson, appointed: 16 January 2002
- Tim Keilty, appointed: 20 March 2002
- Beth Ford, appointed: 18 October 2002

And the following people also served as trustees during the year 2002:

- Glenn Howe, resigned: 24 April 2002
- Ian Parker, resigned: 16 January 2002
- Dorothy Heathcote, resigned 15 August 2002

THE LAWNMOWERS INDEPENDENT THEATRE COMPANY
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Directors' and Trustees' Report for the year ended 31 December 2002

Statement of Trustees Responsibilities

The Trustees are required by law to prepare financial statements for each financial year which give a true and fair view of the financial activities of the charity and of its financial position at the end of the year. In preparing those financial statements the Trustees are required to:

- a) select suitable accounting policies and apply them consistently
- b) make judgements and estimates that are reasonable and prudent
- c) state whether the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements
- d) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approval

This report was approved by the Board of directors and Trustees on 10 September 2003 and signed on its behalf.

.....*A Broughton*.....
A Broughton
Chairman

**Independent Examiner's Report to the Management Committee of
The Lawnmowers Independent Theatre Company**

We report on the accounts of the Trust for the year ended 31 December 2002, which are set out on pages 5 to 12.

Respective responsibilities of Trustees and examiner

As the charity's trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of section 43(2) of the Charities Act 1993 (the Act) does not apply. It is our responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under section 43(7)(b) of the Act, whether particular matters have come to our attention.

Basis of independent examiner's report

Our examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently we do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with our examination, no matter has come to my attention:

- (1) which gives us reasonable cause to believe that in any material respect the requirements
 - * to keep accounting records in accordance with section 41 of the 1993 Act; and
 - * to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 1993 Act have not been met: or
- (2) to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Richardson Hall Kennedy & Co
Chartered Accountants & Registered Auditors
Coburg House
1 Coburg Street
Gateshead
NE8 1NS

Dated 10 September 2003

**Accountant's Report to the Trustees on the
Unaudited Accounts of The Lawnmowers Independent Theatre Company**

We report on the accounts for the year ended 31 December 2002 set out on pages 5 to 12.

Respective responsibilities of Trustees and Reporting Accountants

As described on page 3 the company's trustees are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

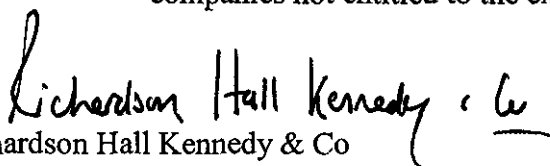
Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:-

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985:
- (b) having regard only to and on the basis of, the information contained in those accounting records:
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and,
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act as modified by section 249A(5) and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).



Richardson Hall Kennedy & Co
Reporting Accountants

Coburg House
1 Coburg Street
Gateshead
NE8 1NS

Dated: 10 September 2003

THE LAWNMOWERS INDEPENDENT THEATRE COMPANY
(A company without share capital limited by guarantee)

Statement of Financial Activities
for the year ended 31 December 2002

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	Notes	Restricted Funds	Unrestricted Funds	Total 2002	Total 2001
Income Resources					
Donations and gifts		-	-	-	10
From activities in furtherance of the Charity's objects:					
Grants received	2	61,136	62,202	123,338	90,450
Other income	3	-	3,329	3,329	4,687
Investment income and interest		-	685	685	695
		-----	-----	-----	-----
Total Incoming Resources		61,136	66,216	127,352	95,842
		-----	-----	-----	-----
Resources Expended					
Costs of generating funds					
Salaries and wages		2,610	-	2,610	548
Charitable expenditure					
Costs in furtherance of the charity's objects	4	35,702	37,545	73,247	44,390
Support costs	5	11,317	15,809	27,126	7,960
Management and administration	6	12,119	25,103	37,222	18,783
		-----	-----	-----	-----
Total resources expended		61,748	78,457	140,205	71,681
		-----	-----	-----	-----
Net movement in funds for the year					
		(612)	(12,241)	(12,853)	24,161
Total funds brought forward		750	23,411	24,161	-
		-----	-----	-----	-----
Total funds carried forward		138	11,170	11,308	24,161
		-----	-----	-----	-----

The notes on pages 7 to 12 form part of these accounts

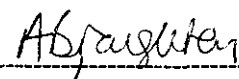
THE LAWNMOWERS INDEPENDENT THEATRE COMPANY
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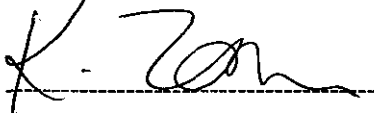
Balance Sheet
as at 31 December 2002

	Notes	31 December 2002 £	31 December 2001 £
Fixed Assets			
Tangible assets	8	2,377	2,948
Current Assets			
Stock		359	493
Debtors	9	653	1,522
Cash at bank and in hand		31,787	35,023
		<u>32,799</u>	<u>37,038</u>
Less Current Liabilities			
Creditors: amounts falling due within one year	10	23,868	15,825
		<u>8,931</u>	<u>21,213</u>
Net current assets			
		<u>11,308</u>	<u>24,161</u>
Total assets less current liabilities			
		<u>11,308</u>	<u>24,161</u>
Represented by:			
Restricted funds		138	750
Unrestricted funds		11,170	23,411
		<u>11,308</u>	<u>24,161</u>

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 249A(2) of the Companies Act 1985. The Trustees have not required the company to obtain an audit of its financial statements for the year ended 31 December 2002 in accordance with Section 249B(2) of the Companies Act 1985. The Trustees acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2002 and of its surplus for the year then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the company.

Approved by the Board of Trustees on 10 September 2003 and signed on its behalf


A Broughton - Chairman


K Zeserson

The notes on pages 7 to 12 form part of these accounts

THE LAWNMOWERS INDEPENDENT THEATRE COMPANY
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Notes to the accounts for the year ended 31 December 2002

1. Accounting policies

1.1 Basis of preparation of accounts

The accounts are prepared under the historical cost convention and include the results of the charity's operations which are described in the Trustees' Report and all of which are continuing.

The accounts have been prepared in compliance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000) issued in October 2000 and applicable accounting standards.

The charity has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cashflow statement.

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture and office equipment	15% straight line
Computer equipment	20% reducing balance

1.3 Stocks

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

1.4 Income

Voluntary income and donations are accounted for as received by the charity. The income from fund raising ventures is shown gross, with the associated costs included in fund-raising costs. Where grants are received for a specific purpose the income is matched with the expenditure.

1.5 Taxation

No provision for taxation of any form has been made on these financial statements on the basis that the company is a registered charity.

1.6 Value added tax

Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the Statement of Financial Activities.

1.7 Support costs

Support costs represent the cost of running the charity's office and general costs incurred in carrying out the charitable objectives of the charity.

1.8 Management and Administration Expenditure

Expenditure on management and administration of the charity includes all expenditure not directly related to the charitable activity or fund-raising ventures.

THE LAWNMOWERS INDEPENDENT THEATRE COMPANY
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Notes to the accounts for the year ended 31 December 2002

	2002	2001
2. Grants received		
Restricted	£	£
Esmee Fairbairn Foundation	16,979	14,935
Camelot Foundation	1,250	3,750
Them Wifies	-	2,819
Lloyds TSB	4,000	4,000
GMBC (Brazil)	-	350
GMBC (Space4Us)	-	936
Nordaf	2,000	-
Linden Fund	500	-
Gateshead Community Learning Chest	4,500	-
Gateshead Community Chest	3,134	-
Community Fund	28,773	-
	-----	-----
	61,136	26,790
	-----	-----
Unrestricted		
Northern Rock Foundation	27,100	34,800
Them Wifies	-	5,028
Henry Smith Charity	30,000	20,000
Gateshead MBC	5,102	3,832
	-----	-----
	62,202	63,660
	-----	-----
Total	123,338	90,450
	=====	=====
3. Other Income		
Unrestricted	£	£
Video Sales	123	939
Workshops	2,992	3,445
Krocodile Klub	-	53
Student placement	-	250
Other	214	-
	-----	-----
	3,329	4,687
	-----	-----

THE LAWNMOWERS INDEPENDENT THEATRE COMPANY
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Notes to the accounts for the year ended 31 December 2002

4.	Costs in furtherance of the charity's objects	Restricted	Unrestricted	2002	2001
		£	£	Total	Total
				£	£
	Salaries and wages	27,519	12,539	40,058	30,260
	Volunteers expenses	-	3,078	3,078	3,058
	Travelling expenses	3,335	-	3,335	2,837
	Training costs	-	576	576	423
	Promotion	-	1,018	1,018	660
	Networking	1,000	-	1,000	23
	Show costs	1,848	14,163	16,011	4,596
	Krocodile Klub costs	2,000	6,171	8,171	2,533
		-----	-----	-----	-----
		35,702	37,545	73,247	44,390
		-----	-----	-----	-----
5.	Support Costs				
		£	£	£	£
	Evaluation	550	1,775	2,325	10
	Publications and subscriptions	-	221	221	182
	Travelling and expenses	-	551	551	813
	Networking costs	-	145	145	747
	Trustees expenses	567	-	567	197
	Gifts	-	-	-	391
	Relocation costs	-	-	-	565
	Legal and professional fees	-	-	-	295
	Insurance	350	266	616	407
	Staff training	-	-	-	86
	Property running expenses	7000	6,303	13,303	2,402
	Information/educational expenses	-	264	264	-
	Promotion	-	-	-	691
	Postage, printing and stationery	750	836	1,586	712
	Telephone	600	398	998	382
	Student placement costs	-	-	-	80
	Legal and accountancy charges	1,000	1,085	2,085	-
	Sundry expenses	500	3,965	4,465	-
		-----	-----	-----	-----
		11,317	15,809	27,126	7,960
		-----	-----	-----	-----

THE LAWNMOWERS INDEPENDENT THEATRE COMPANY
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Notes to the accounts for the year ended 31 December 2002

6	Management and Administration	Restricted £	Unrestricted £	2002 Total £	2001 Total £
	Salaries and wages	12,119	16,440	28,559	14,428
	Training	-	138	138	166
	Postage, printing and stationery	-	1,624	1,624	2,177
	Telephone	-	576	576	500
	Legal and accountancy charges	-	1,851	1,851	1,205
	Promotion and marketing	-	3,903	3,903	-
	Bank charges	-	-	-	10
	Depreciation	-	571	571	297
		-----	-----	-----	-----
		12,119	25,103	37,222	18,783
		-----	-----	-----	-----

7. Deficit for the year

The deficit of income over expenditure is stated after charging:

Depreciation of tangible fixed assets (note 8)

- Depreciation owned assets

	571	297
	<u>=====</u>	<u>=====</u>

and after crediting:

Bank and Building society interest

	685	695
	<u>=====</u>	<u>=====</u>

THE LAWNMOWERS INDEPENDENT THEATRE COMPANY
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Notes to the accounts for the year ended 31 December 2002

8. Tangible fixed assets

	Furniture & Fixtures £	Computer Equipment £	2002 Total £
Cost			
As at 1 January 2002	557	2,688	3,245
Additions	-	-	-
	-----	-----	-----
At 31 December 2002	557	2,688	3,245
	=====	=====	=====
Depreciation			
As at 1 January 2002	49	248	297
Charge for the year	84	487	571
	-----	-----	-----
At 31 December 2002	133	735	868
	=====	=====	=====
Net Book Value			
At 31 December 2002	424	1,953	2,377
	=====	=====	=====
At 31 December 2001	508	2,440	2,948
	=====	=====	=====

	2002 £	2001 £
9. Debtors - Amounts falling due within one year		
Other debtors	653	350
Prepayments	-	1,172
	-----	-----
	653	1,522
	=====	=====
	2002 £	2001 £
10. Creditors - Amounts falling due within one year		
Amounts falling due within one year:-		
Accruals	5,581	3,096
Deferred income	18,287	12,729
	-----	-----
	23,868	15,825
	=====	=====

12.

THE LAWNMOWERS INDEPENDENT THEATRE COMPANY
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Notes to the accounts for the year ended 31 December 2002

11. Staff costs

	2002	2001
	£	£
Wages and salaries	66,316	42,117
Employers' national insurance	4,911	3,119
	<u>71,227</u>	<u>45,236</u>

The average monthly number of employees during the year was as follows

Core	3
Project staff	2
Support staff	2
Sessional	9
	<u>16</u>