

THE CITIZENS THEATRE LIMITED

**DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS**

FOR

THE YEAR ENDED 31 MARCH 2001

Company No. SC022513



**WYLIE FRAME
CHARTERED ACCOUNTANTS**

CONTENTS	PAGE
DIRECTORS AND OFFICERS	1
CHAIRMAN'S REPORT	2-7
NOTICE OF MEETING	8
REPORT OF THE DIRECTORS	9-10
REPORT OF THE AUDITOR TO THE MEMBERS	11
BALANCE SHEET	12
INCOME AND EXPENDITURE ACCOUNT	13
NOTES TO THE FINANCIAL STATEMENTS	14-19
<i>The following pages do not form part of the statutory financial statements.</i>	
REVENUE ACCOUNT - CITIZENS THEATRE	20
REVENUE ACCOUNT - THEATRE ABOUT GLASGOW	21
NOTES TO THE REVENUE ACCOUNTS	22- 27

DIRECTORS AND OFFICERS

1

HONORARY PRESIDENT	Sir Thomas Risk , B.L, LL.D, F.R.S.E.
HONORARY VICE-PRESIDENTS:	The Rt. Hon. The Lord Provost of the City of Glasgow The Lord Dean of Guild, Merchants House, Glasgow The Deacon Convener of the Trades House of Glasgow The President of the Chamber of Commerce of Glasgow Thelma Holt C.B.E.
DIRECTORS:	Professor Janet B I McDonald, M.A., F.R.S.E., F.R.S.A.M.D. (Chairman) Councillor Robert Gray C.B.E., J.P., D.L., O.St.J., LL.D. Councillor Charles McCafferty Councillor Jean A McFadden, C.B.E., J.P.,D.L., M.A., LL.B. Councillor Irene Graham M.A., M.Phil Councillor William Butler B.A. (Hons.) (Resigned 17.05.01) Councillor James Mutter (Appointed 11.07.01) Vladimir Mirodan Dip.Dir, MA, DGGB, FRSA (Resigned 12.07.00) Russell G Boyce (Appointed 12.07.00) Dr. Adrienne Scullion Professor Joseph C Barbenel M.Sc., PH.D, F.I. Biol, F.Inst.P. F.R.S.E. Professor William T Scott O.M. (Resigned 3.08.01) Ronda M Bayley M.A. (R.C.A.) James Sheffield (Resigned 12.07.00) Ian McIlhenny D.A, P.G.C.E, DIP. SE.(Appointed 12.07.00) J Michael L Smyth B.A. Mod. Robert A Mactaggart T.D., A.D.C., Ph.D. S.S.C. Margaret Tomlinson B.A., L.R.A.M. Rosemary Hobsbaum M.A. Hons (OXON) Donella Stirling M.A. Nick C D Kuenssberg B.A., F.C.I.S., C.I.Mgt., F.Inst.D., F.R.S.A. J H Forbes Macpherson C.B.E., D.Univ., C.A. R A Macpherson B.A. (OXON.)
SECRETARIES:	Wylie Frame, Chartered Accountants, Glasgow
BANKERS:	Bank of Scotland, Glasgow
AUDITOR:	Milne, Craig & Corson, Chartered Accountants, Paisley
REGISTERED OFFICE:	91 Mitchell Street, Glasgow G1 3LN

CHAIRMAN'S REPORT

2

Board membership remained constant throughout most of the period. One of Glasgow City Council's representatives, Councillor William Butler resigned on becoming a Member of Parliament. He was replaced by Councillor James Mutter. From September 2001 we must sadly say farewell to two of our longest serving Directors. Michael Smyth's length of service to the Board may be measured by the fact that he began as the representative of the Close Theatre Club. Michael's business and technical expertise has been invaluable to the Theatre staff and to the Board. Margaret Tomlinson joined the Board as the representative of the Citizens' Theatre Society. After her chairmanship of the Society ceased she was invited to continue as a Director in her own right because her wide knowledge of education and the training of teachers made her contribution to Citizens' and to TAG extremely important, especially as issues concerning education and outreach policy became increasingly relevant.

We were sad to record the death of a former Director and Vice-Chair of the Company, Professor Ian Sneddon whose wit and wisdom we enjoyed for many years until his retiral in 1996.

Lady Mary Gray succeeded her husband Sir William Gray, whose death we recorded last year, as President of the Citizens' Theatre Society.

In terms of the Senior Management of the Theatre, we record with regret the resignation of the Marketing Manager, Lorna Duguid, who leaves the Citizens' to pursue a freelance career in arts management and marketing. Lorna has made a splendid contribution to the Company and we remember particularly her loyal and dedicated service as Acting General Manager from October 1999 to April 2000.

I am, as ever, grateful to all members of the Board for their commitment, their regular attendance and judicious contributions to our debates. My special thanks go to Donald Frame of Wylie Frame, secretaries to the company, whose outstanding service to the Board and to the management of both companies is essential to our wellbeing.

CITIZENS' THEATRE**Artistic Programme**

The Company presented thirteen productions, including a community performance project, in the course of the season; four in each of the Studios and five on the Main Stage. This, together with the Visiting Company Season made a total of 312 performances with a total attendance of 44,591. Attendances in both Studios remained buoyant (Stalls – 74% capacity; Circle – 64%), but the absence of the Christmas Show in the Main Theatre led to a decrease in that venue's audience figures to 42%.

Three world premières were staged in the Studios - Horace Walpole's The Mysterious Mother, written in 1756 but hitherto unperformed, adapted and directed by Robert David MacDonald; Ten Rillington Place by Ludovic Kennedy, adapted and directed by Kenny Miller and Faithfull by Marianne Faithfull, adapted and directed by Jon Pope.

The UK premiere of Funhouse by Eric Bogosian, directed by Kenny Miller played in the Stalls Studio. The season included two new translations of European classics, Ibsen's Peer Gynt in the Circle Studio translated and directed by Clare Venables, who previously directed the successful production of Oedipus and Strindberg's The Dance of Death directed by Stuart Laing in a specially commissioned translation by Gregory Morton in the Main House.

CHAIRMAN'S REPORT

3

Other highlights during the season that ranged from dramas from the English and European canon to American and Scottish work, included Philip Prowse's productions of Coward's Blithe Spirit and a stage version of the well known American musical film Pal Joey which involved students from the Royal Scottish Academy of Music and Drama. This production was part of the ongoing partnership between the Theatre and the School of Drama. Last season also saw revivals of two successful productions, the adaptation of Irvine Welsh's Filth, following a tour to Newcastle, London and Manchester, and the acclaimed production of Death in Venice, directed and performed by Giles Havergal and adapted by Robert David MacDonald and David Luke, following its tour to Manchester and Stockholm.

Visiting Company Season

In April 2000 and March 2001, the Theatre was host to ten companies which presented a total of thirteen productions. The policy that shapes the Visiting Companies Season is that well-established groups, such as Opera on a Shoestring and the Scottish Youth Theatre and Cran play on the Main Stage, whilst emergent, more experimental or community groups such as the Lone Rangers play in the Circle Studio.

Highlights of the season included the Wizard of Oz by the Scottish Youth Theatre, Rigoletto by Opera on a Shoestring and Antigone by TAG and the third of the Citizens' Theatre community performance projects, Edmund by David Marnet, directed by Guy Hollands, the latter being developed in partnership with the Gorbals Initiative and the Gorbals Social Inclusion Partnership. It involved fifteen participants from the local area performing as well as working on the design and stage management for the production. It played for five performances in the Circle Studio to an audience of 392.

A welcome return visitor was the Scottish Youth Theatre, which holds its annual Summer Festival at the Theatre for five weeks in July and August. Over this period 300 young people attend courses which culminate in a week of performances.

Education and Outreach

This season has seen a development of the Citizens' Theatre extensive education and outreach programme which operates on a year round basis. Free Previews, a Citizens' institution, continued, with tickets targeted to organisations within Social Inclusion Partnership areas. Backstage tours increased for schools, colleges and community groups with some 624 visitors having a chance to see 'how it works'. Audio-described and Signed Performances were as usual available. An open day held in October to promote the Gorbals Card Scheme which enables any resident in the area to attend a performance for £1, attracted over a hundred people into the Theatre.

The education programme included teachers' masterclasses, study support sessions and workshops, both at the Theatre and in schools. Two masterclasses for teachers were held at the Theatre, one on The Crucible led by Giles Havergal and one on Macbeth led by Guy Hollands. Workshops were increased over the year and involved some 1000 young people. These included a special workshop project for schools, *Curriculum Vitals*, led by Giles Havergal to ten schools across Scotland and a special *Behind the Lines* workshop on Samuel Beckett as part of Glasgow City Council's Inspiration Festival.

New initiatives included Deaf Connections, a series of eight workshops for young people with hearing impairments, some of whom then went on to be part of the community performance project. A further series of six workshops was targeted at those leaving Glasgow City Council's Care Services. A special project was also set up in partnership with North Lanarkshire Council for community writers and resulted in the establishment of a full time writers' group in the locality.

Funding

Continuing revenue support was received from the Scottish Arts Council in the sum of £689,609 being an increase of some £30,000. Glasgow City Council contributed a revenue grant of £575,500 which incorporated the special Millennium Award of £150,000 awarded last season. £4,050 came from the Council's Social Inclusion Partnership Fund for the community performance project and a capital grant of £36,500 purchased two new boilers.

In addition to this, the Theatre is grateful to the following other local authorities for the continued support for project and workshop fees: Argyll & Bute, South Ayrshire, East Dunbartonshire, West Dunbartonshire, East Renfrewshire, Edinburgh District Council, Inverclyde, North Lanarkshire and South Lanarkshire.

Capital grants of £5,000 from the Gannochy Trust and £3,481 from the Adapt Trust enabled the Theatre to upgrade the lighting board and install a two channel infra-red system in the main theatre.

The SAC Advancement Programme enabled the Company to appoint its first Development Manager, Liana Marletta. Total subvention from the fund this year was £56,277. The Citizens' Theatre is currently in the second year of a three year agreed programme to instigate a new audience development strategy, to increase earned income and to research the viability of an extended catering operation.

The Bank of Scotland and the Weir Group joined the Corporate Citizens Scheme.

Other achievements

The Citizens' was the subject of a documentary for BBC Radio Scotland entitled Putting on the Citz comprising two half hour programmes broadcast on Christmas Eve and New Year's Eve.

Cavalcade, which was performed on the Main Stage in December 1999, was one of three best musicals short-listed for the Barclay's Theatre Award in October.

Giles Havergal in Death in Venice and Tam Dean Burn in Filth were both nominated for Best Actor as part of the Manchester Evening News Theatre Awards.

TAG

Artistic Programme

2000/01 was TAG's third year of activity under the SAC's new Fixed Term Touring Fund in the course of which the Company undertook 181 performances of three productions and 221 workshops. The whole programme reached 18,804 young people throughout Scotland.

2000 saw the continuation of the 'Making The Nation' TAG's four year drama and democracy project aimed at actively engaging young people in Scotland with the democratic process.

Productions:**Wild Things: April – June 2000**

Wild Things was a participatory performance/workshop for children based on the classic children's story, *Where the Wild Things Are* by Maurice Sendak.

The production was for up to 35 children aged between 7 and 8 years (Primary 3 and 4) who were engaged directly in the action, using 'guided play'.

The project was popular with schools and ran for an extra week in order to meet demand. Teachers' response was positive with over 90% finding the project overall to be 'excellent', 87.5% finding it to be very suitable for the age-group and 70% taking advantage of the project to stimulate further activities in the classroom.

The project toured throughout Scotland including the Scottish International Children's Festival. TAG also worked in partnership with the New York State Theatre Institute to present Wild Things for a week in elementary schools in New York State. TAG is grateful to the New York State Theatre Institute and to the British Council for supporting the work.

Antigone: September – October 2001

TAG commissioned the writer, Sarah Woods, to write a new version of the play. Two week script development workshops in October 1999 and May 2000 with actors, writer, designer and composer greatly enhanced the final production. This production, a major strand in the Making the Nation project, was aimed at audiences aged 14 and over, a constituency traditionally regarded as excluded from the political world. The text of Antigone is on the syllabus for Higher Drama and for Higher Classics and schools took part in an education programme and received Teachers' Resources Packs.

Teachers completed feedback forms which were very positive, with 80% describing the production overall as either excellent or good and 62% considering it to be very suitable for the age-group and relevant to classroom studies. Antigone toured widely to the Citizens' Theatre Glasgow, Dundee, Falkirk, Glenrothes, Edinburgh, Aberdeen, Dumfries and Galloway and across the Highlands, including the WYSIWYG Showcase at Eden Court, Inverness, and a one-week residency on Shetland.

Stroma: February – April 2001

Stroma, commissioned from Michele Celeste, examined the phenomenon of homelessness and the migration of young people from rural areas or small towns to cities like Glasgow or London. As part of the commissioning process, Michele and TAG undertook two weeks of research and script development with actors, working with a variety of young people aged 13+ from across Scotland, including some "at risk" and offenders groups.

The play toured to schools in Glasgow, West of Scotland, Edinburgh and Lothians, Clackmannanshire, Fife, Dumfries and Galloway, Aberdeenshire and the Highlands. Special performances were arranged in St Mary's Kenmure Secure School and Polmont Young Offenders Institute. Public performances at the Tron and Traverse Theatres sold out. The tour culminated in a successful conference at the Traverse Theatre involving young people from schools and homelessness support projects, homelessness charities, government agencies and theatre practitioners.

CHAIRMAN'S REPORT

6

A workshop programme and resource pack accompanied the production which was very well received by schools. Teachers were very positive with 96% describing the production overall as either excellent or good and 93% considering it to be very suitable for the age-group and relevant to classroom studies.

TAG is grateful to the Scottish Executive and Scottish Homes for additional grants towards Stroma and to the following organisations for their support in helping to develop the overall project: the Lemon Tree Youth Theatre, Showmakers Group, Polmont Young Offenders Institute, St Mary's Kenmure Secure School, Kingussie High School, Bridge Project, Childline Scotland, Shelter Scotland, Children in Scotland, The Aberlour Childcare Trust and Quarriers.

Workshop Activities**Dumfries and Galloway Drama Artist Residency**

In co-operation with Dumfries and Galloway Arts Association and with additional funding from SAC, TAG engaged Naomi Ludlam for one year as TAG/DGAA Drama Artist in Residence.

Other Workshop Programmes:

The scope and the impact of TAG's education and participatory programme was broadened by the continuation of the youth theatre collaboration with Aberdeen City Council and the Lemon Tree, and with Fife Council and the Rothes Halls to produce a youth theatre production One Moment in Time directed by Annie Wood.

Teacher and artist training was further developed through the ongoing project at Glasgow University, as well as a number of INSET workshops, including Higher Still drama workshops for drama teachers across Scotland. TAG worked with young people outwith formal education including those leaving care institutions in Glasgow. TAG was invited by Glasgow and West Dunbartonshire Councils to facilitate consultation with young people around the provision of culture and education in their communities.

Trainees:

TAG received assistance from SAC towards two traineeships beginning in 2000.

Lu Kemp was appointed as Trainee Director in October and undertook work in a number of areas, including assistant direction on Stroma. She contributed towards the development of a New Writing Policy.

Rosie Lewis was appointed as the first SAC-funded Trainee Education Officer in Scotland in November. She has observed, assisted in and run practical workshops with teachers, pupils and youth groups and undertaken research for the resource pack for Stroma.

Funding:

TAG received from the Scottish Arts Council a Fixed Term Grant of £202,800 in addition to grants for the Dumfries and Galloway Drama Arts Residency (£10,000); the recruitment and training of a Trainee Education Officer (£2,000) and a grant to increase the production values of Stroma and Antigone (£14,255). The Revenue Grant from Glasgow City Council was £28,000. Income was also received from eighteen other local authorities totalling £33,482.

CHAIRMAN'S REPORT

7

Grants were received from Scottish Homes (£10,000) and the Scottish Executive (£9,000) towards Stroma, as well as a donation of £200 from Polmont Young Offenders Institute.

The Wild Things performances and workshops in New York State were funded by grants from the New York State Theatre Institute (£3,925) and the British Council (£2,500).

TAG is grateful to the SAC National Lottery for funding towards the following projects: Upgraded computer system (£23,845) awarded in October 1996: New touring van (£28,959) awarded in May 1998: Making The Nation (£98,266) awarded in February 1999: Touring Equipment shared with 7:84 (£33,133) awarded in October 1999.

Conclusion

The Board is pleased to acknowledge the artistic achievements of both Citizens and TAG and is grateful for the unflagging endeavours of the Artistic Directors and General Managers, as well as for the creativity and talent of all participants, actors, backstage and front of house staff.

James B. McDonald
Chairman

NOTICE OF MEETING

8

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Citizens Theatre Limited will be held within Gilmorehill Centre for Theatre, Film & Television, 9 University Avenue, Glasgow on Wednesday 19 September 2001 at 5.30pm to transact the following business:

- 1 To receive and adopt the Directors Report and Financial Statements for the year ended 31 March 2001.
- 2 To elect an Honorary President and Honorary Vice-Presidents.
- 3 To elect Directors.
- 4 To re-appoint Milne Craig & Corson, Chartered Accountants, Paisley, as Auditor of the Company.
- 5 To authorise the Directors to fix the remuneration of the Auditor for the ensuing year.

BY ORDER OF THE BOARD



Wylie Frame
Secretaries

91 Mitchell Street
GLASGOW
G1 3LN
24 August 2001

NOTE

A Member of the Company who is entitled to be present and vote at the Meeting may appoint a Proxy to attend and vote in his/her stead and any Proxy so appointed need not be a Member. Forms of Proxy must be deposited at the Registered Office not less than 48 hours before the time of the meeting.

REPORT OF THE DIRECTORS

9

The directors have pleasure in presenting their Report and Financial Statements for the year ended 31 March 2001 to the members.

STATUS

The Citizens Theatre Limited is a company limited by guarantee without a share capital. The members of the company have each guaranteed its liabilities up to £1. The company was incorporated in Scotland on 19 August 1943. The affairs of the company are administered by a board of directors who are appointed and act in accordance with the Memorandum and Articles of Association of the company. The company is registered in Scotland with the number SC022513 and is recognised by the Inland Revenue as having charitable status under the reference SC001337. Details of the directors and officers together with the situation of the company's registered office are set out on page 1.

ACTIVITIES

The principal activities of the company during the year were those of theatre proprietors and managers, providing dramatic performances conducive to the promotion, maintenance, improvement and advancement of education or to the encouragement of the Arts.

FINANCIAL RESULTS

The financial results in respect of the Citizens Theatre Limited are as disclosed by the Income and Expenditure Account set out on page 13. The resultant funds of the company are summarised in Note 6 to the accounts on page 17.

DIRECTORATE

The present directors of the company and those who served during the year ended 31 March 2001 are set out on page 1.

On 17 May 2001 Councillor William Butler resigned as a nominated Director of the City of Glasgow Council. On 11 July 2001 Councillor James Mutter was appointed as a nominated Director in his stead.

On 3 August 2001 Professor William T Scott resigned as the nominated Director of Glasgow Caledonian University. His successor has yet to be intimated by the University Court.

Mr Michael L Smyth and Ms Margaret Tomlinson have intimated their intention to resign from the Board at the conclusion of the Annual General Meeting.

In terms of the Articles of Association, Professor Jan Macdonald, Dr R A Mactaggart and Mrs Donella Stirling fall to retire from the Board at the forthcoming Annual General Meeting. Being eligible, all of the retiring Directors offer themselves for re-election.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to :

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

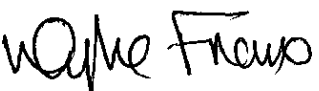
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

AUDITOR

A Resolution will be proposed at the Annual General Meeting to re-appoint Milne Craig & Corson, Chartered Accountants, as Auditor.

This report has been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD


Wylie Frame
Secretaries

91 Mitchell Street
GLASGOW
G1 3LN
22 August 2001

REPORT OF THE AUDITOR

11

We have audited the financial statements on pages 12 to 19 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities and the accounting policies set out on page 14.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As described on page 10 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

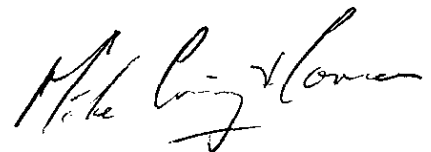
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements; and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion, the financial statements give a true and fair view of the charitable company's state of affairs as at 31 March 2001 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Milne Craig & Corson
Registered Auditor

Abercorn House
79 Renfrew Road
Paisley PA3 4AD

22 August 2001

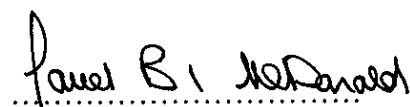
BALANCE SHEET AS AT 31 MARCH 2001

12

	<u>Note</u>	<u>2001</u>	<u>2000</u>
		£	£
FIXED ASSETS			
Tangible assets	2	946,590	1,042,899
CURRENT ASSETS			
Stocks		6,634	5,486
Debtors	3	100,072	192,848
Term Deposit		286,290	161,476
Cash: On hand		3,097	2,897
In bank		7,397	6,431
		<u>403,490</u>	<u>369,138</u>
CREDITORS			
Amounts falling due within one year	4	249,893	265,935
NET CURRENT ASSETS		<u>153,597</u>	<u>103,203</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,100,187</u>	<u>1,146,102</u>
PROVISION FOR LIABILITIES AND CHARGES			
Deferred Income	5	847,591	953,258
		<u>252,596</u>	<u>192,844</u>
FUNDS	6	<u>252,596</u>	<u>192,844</u>

The accounts have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

These accounts were approved by the Board on 22 August 2001.


 DIRECTOR

The notes on pages 14 to 19 form part of these financial statements.

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2001

13

	<u>Note</u>	<u>2001</u> £	<u>2000</u> £
Grant Income		1,605,680	1,568,711
Theatre Income		311,905	290,016
Trading Income		73,648	72,153
Touring Income		12,794	-
Grant & Donations Released		150,648	141,652
		<u>2,154,675</u>	<u>2,072,532</u>
Production Costs		(1,107,921)	(1,155,385)
Trading Costs		(44,442)	(45,300)
Touring Costs		(13,452)	-
Administrative Costs		(915,919)	(893,510)
Advancement Costs		(32,277)	(7,886)
		<u>40,664</u>	<u>(29,549)</u>
Interest Payable		(438)	(503)
		<u>40,226</u>	<u>(30,052)</u>
Interest Receivable		19,932	11,235
SURPLUS/(DEFICIT) FOR YEAR		<u>60,158</u>	<u>(18,817)</u>
Exceptional Income – NI Reclaimed		(406)	139,584
SURPLUS/(DEFICIT) FOR THE YEAR		<u>59,752</u>	<u>120,767</u>
TRANSFERRED TO FUNDS	10/11	<u>59,752</u>	<u>120,767</u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the revenue account.

The notes on pages 14 to 19 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001

14

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, are in accordance with applicable accounting standards, and have been drawn up in accordance with the Charity Commissioners Statement of Recommended Practice. The principal accounting policies that have been adopted in the preparation of the financial statements are set out below and are consistent with those applied in the 2000 financial statements.

(a) Turnover

Turnover represents grants and theatre income and is stated exclusive of value added tax.

(b) Depreciation

Depreciation has been provided on the cost of acquisition of tangible fixed assets, less capital grants and donations received, where relevant, on the straight line basis at the following annual rates:

Leasehold Improvements	- 10%
All other fixed assets	- 20%

(c) Stocks

Stocks have been valued at the lower of cost and net realisable value. In the opinion of the management replacement cost does not materially differ from its balance sheet value.

(d) Grants

Grants in respect of capital expenditure incurred up until 31 March 1995 have been deducted from the cost of the relevant assets. Since that date, grants in respect of capital expenditure are credited to a deferred income account and are released to the revenue account over the expected life of the relevant assets by equal instalments. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

(e) Legacies

Legacies are credited to the revenue account in the year in which they are received.

(f) Leasing Commitments

Assets held under finance leases are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of the capital repayments outstanding.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001 Cont'd

15

1 ACCOUNTING POLICIES (Cont'd)

(g) Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

(h) Designated Funds

Sums designated by the Directors to be used for particular purposes are accounted for as part of the company's unrestricted funds.

2 TANGIBLE ASSETS

	<u>Leasehold Improvements</u>	<u>Theatre & Office Furnishings</u>	<u>Fixtures, Fittings & Equipment</u>	<u>TAG Van</u>	<u>TAG Equipment</u>	<u>Total</u>
	£	£	£	£	£	£
<u>Cost</u>						
At 1 April 2000	1,951,702	56,622	320,494	38,112	49,800	2,416,730
Additions	38,501	995	41,340	-	559	81,395
Disposal	-	-	(12,145)	-	-	(12,145)
At 31 March 2001	1,990,203	57,617	349,689	38,112	50,359	2,485,980
<u>Depreciation</u>						
At 1 April 2000	288,552	39,747	153,110	15,140	20,110	516,659
Provided during year	113,144	2,002	46,103	7,623	8,832	177,704
Depreciation on disposal	-	-	(12,145)	-	-	(12,145)
At 31 March 2001	401,696	41,749	187,068	22,763	28,942	682,218
<u>Grants & Donations</u>						
At 1 April 2000 and 31 March 2001	796,316	12,486	44,891	-	3,479	857,172
<u>Net Book Value</u>						
At 31 March 2001	792,191	3,382	117,730	15,349	17,938	946,590
At 1 April 2000	866,834	4,389	122,493	22,972	26,211	1,042,899

All fixed assets held by the company are for use in its continuing charitable activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001 Cont'd

16

3	DEBTORS	<u>2001</u>	<u>2000</u>
	Amounts receivable within one year:	£	£
	Trade debtors	9,321	36,702
	Prepayments	52,861	52,533
	Other debtors	37,890	103,613
		<u>100,072</u>	<u>192,848</u>
		<u><u>100,072</u></u>	<u><u>192,848</u></u>
4	CREDITORS: Amounts falling due within one year	<u>2001</u>	<u>2000</u>
		£	£
	Bank overdraft	39,631	32,630
	Trade creditors	20,481	59,254
	Other creditors	51,565	46,716
	Creditors for taxation and social security	16,875	13,625
	Accruals and deferred income	121,341	113,710
		<u>249,893</u>	<u>265,935</u>
		<u><u>249,893</u></u>	<u><u>265,935</u></u>
5	DEFERRED INCOME	<u>2001</u>	<u>2000</u>
		£	£
	Deferred Grants and Donations Received for capital purposes		
	Balance at 1 April 2000	953,258	1,071,235
	Received during year	44,981	23,675
	Released during year	(150,648)	(141,652)
		<u>847,591</u>	<u>953,258</u>
		<u><u>847,591</u></u>	<u><u>953,258</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001 Cont'd

17

6	FUNDS:	<u>Restricted</u> £	<u>Unrestricted</u> £	<u>2001</u> £	<u>2000</u> £
	<u>General</u>				
	Citizens Theatre				
	Brought forward	1,114	31,566	32,680	17,503
	Surplus for year	5,383	35,287	40,670	113,520
	Transfer to Designated Special Fund	-	(7,893)	(7,893)	(111,043)
	Transfer from Designated Special Fund	-	12,823	12,823	12,700
	Carried forward	6,497	71,783	78,280	32,680
	 Theatre About Glasgow				
	Brought forward		61,821	61,821	54,574
	Surplus for year		19,082	19,082	7,247
	Carried forward	-	80,903	80,903	61,821
	Total General Funds carried forward	6,497	152,686	159,183	94,501
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>Designated Special Fund</u>				
	Citizens Theatre				
	Brought Forward		98,343	98,343	-
	Transfer from General Fund		7,893	7,893	111,043
	Released during year		(12,823)	(12,823)	(12,700)
	Carried forward	-	93,413	93,413	98,343
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	TOTAL FUNDS CARRIED FORWARD	6,497	246,099	252,596	192,844
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

The Designated Special Fund which was set up from the windfall receipt of NI of £110,936 reclaimed in respect of Citizens Theatre was utilised to purchase a year 2000 compliant computer system and the balance of the fund together with further funds raised during the year has been set aside to finance the refurbishment of the foyer. The fund will be released to Revenue Account over the expected life of the relevant assets by equal installments.

7 **SHARE CAPITAL**

The company is limited by guarantee in terms of the Companies Act 1985 and does not have a share capital.

8 **PENSION COMMITMENTS**

The company operated a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The unpaid contributions outstanding at the year end included in "Other Creditors" are £Nil. (2000: £Nil)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001 Cont'd

18

9 OTHER FINANCIAL COMMITMENTS

At 31 March 2001 the company had annual commitments under non-cancellable operating leases as set out below:

	<u>2001</u> £	<u>2000</u> £
Operating leases which expires:		
Less than one year	-	-
Within two to five years	12,015	13,749
	<u>12,015</u>	<u>13,749</u>

10 SURPLUS/(DEFICIT) FOR YEAR

	<u>2001</u> £	<u>2000</u> £
--	------------------	------------------

The surplus of the company for the year is arrived at as follows:

Citizens Theatre	: Surplus	40,670	113,520
Theatre About Glasgow	: Surplus	19,082	7,247
		<u>59,752</u>	<u>120,767</u>

After charging:

Auditor's remuneration	2,300	2,200
Depreciation: of owned assets	177,702	166,152
	<u>180,002</u>	<u>168,352</u>

Operating lease rentals – equipment and vehicle	<u>12,116</u>	<u>14,700</u>
---	---------------	---------------

Total employee emoluments	<u>451,307</u>	<u>442,551</u>
---------------------------	----------------	----------------

The average number of employees under a contract of service during the year was 26. The number of employees earning £40,000 or more were as follows:

40,000 - 50,000	3	2
-----------------	---	---

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001 Cont'd

19

11 STATEMENT OF FINANCIAL ACTIVITIES

	Restricted Funds <u>2001</u> £	Unrestricted Funds <u>2001</u> £	Total <u>2001</u> £	Total <u>2000</u> £
Incoming Resources				
Grant Income	56,277	1,549,403	1,605,680	1,568,711
Theatre Income	-	311,905	311,905	290,016
Trading Income	-	73,648	73,648	72,153
Touring Income	-	12,794	12,794	-
Grant & Donations Released	-	150,648	150,648	141,652
Exceptional Income – NI reclaimed	-	(406)	(406)	139,584
Interest Receivable	-	19,932	19,932	11,235
Total Incoming Resources	<u>56,277</u>	<u>2,117,924</u>	<u>2,174,201</u>	<u>2,223,351</u>
Resources Expended				
Production Costs	-	1,107,921	1,107,921	1,155,385
Trading Costs	-	44,442	44,442	45,300
Touring Costs	-	13,452	13,452	-
Administrative Costs	-	915,919	915,919	893,510
Advancement Costs	32,277	-	32,277	7,886
Interest Payable		438	438	503
Total Resources Expended	<u>32,277</u>	<u>2,082,172</u>	<u>2,114,449</u>	<u>2,102,584</u>
Net Incoming/Outgoing Resources before transfers	24,000	35,752	59,752	120,767
Gross transfers between funds	(18,617)	18,617	-	-
Net movement on funds	<u>5,383</u>	<u>54,369</u>	<u>59,752</u>	<u>120,767</u>
Fund Balances at 1 April 2000	1,114	191,730	192,844	72,077
Fund Balances at 31 March 2001	<u>6,497</u>	<u>246,099</u>	<u>252,596</u>	<u>192,844</u>