

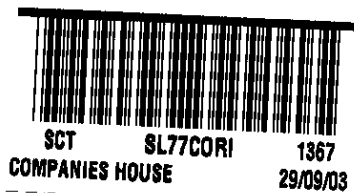
THE CITIZENS THEATRE LIMITED

**DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS**

FOR

THE YEAR ENDED 31 MARCH 2003

Company No. SC022513



**WYLIE FRAME
CHARTERED ACCOUNTANTS**

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DIRECTORS AND OFFICERS

1

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. (Resigned
 16.04.03)
 Councillor Charles McCafferty (Resigned 16.04.03)
 Councillor Jean A McFadden, C.B.E., J.P., D.L., M.A., LL.B.
 Bailie Irene Graham M.A., M.Phil
 Councillor James Mutter
 Russell G Boyce
 Dr. Adrienne Scullion
 Professor Joseph C Barbenel M.Sc., PH.D, F.I. Biol, F.Inst.P. F.R.S.E.
 Professor Malcolm T. Foley
 Alison Harley
 Ian McIlhenny D.A, P.G.C.E, DIP. SE. (Resigned 16.04.03)
 Robert A Mactaggart T.D., A.D.C., Ph.D. S.S.C. (Resigned 25.09.02)
 Margaret Tomlinson B.A., L.R.A.M. (Appointed 16.07.03)
 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.)
 Professor William T Scott O.M.
 Professor Edward Friel D. Univ (Glu), D.B.A (Strathclyde), F.R.S.A.,
 F.T.S. (Appointed 17.04.02)

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

The Board was saddened to receive the resignation of Sir Thomas Risk as our Honorary President. His contribution to the Theatre has been inestimable during his years in office, providing both the Board and the management with valuable advice and unstinting support. We shall miss him very much, but wish him well on his retirement.

Dr. Robin MacTaggart from whose professional expertise and personal commitment to the Citizens' we have greatly benefited, left the Board in September 2002.

Councillors Robert Gray and Charles McCafferty left us after they completed their period in office with Glasgow City Council. Ian McIlhenny resigned when his chairmanship of the Citizens' Theatre Society came to an end. Ian is replaced by Margaret Tomlinson whose past experience as a Board member will prove to be very valuable for us.

We are also fortunate to have secured the services of Professor Eddie Friel whose distinguished reputation in tourism and enterprise will be of significant help to our deliberations.

We note with deep regret the death of Lady Gray, widow of Sir William Gray, our former Honorary Vice-President. Lady Gray was Chair of the Citizens' Theatre Society and a regular theatregoer.

For the Board of Management the announcement last summer of the imminent retiral of Giles Havergal and Robert David Macdonald in June 2003, and of Philip Prowse in March 2004, heralded the prospect of major change in the Citizens' after the eminently distinguished 'reign of the Triumvirate' over the past thirty-four years. The Board seeks to acknowledge with gratitude the privilege it has enjoyed in working with these three leaders in world theatre over the past three decades and acknowledge the talent, commitment and brilliance that has led to the establishment of the Citizens' as an international theatre. Appropriately the Theatre's Diamond Jubilee will be celebrated by a special production of Venice Preserv'd by Philip Prowse.

A 'Search Committee' was formed to actively seek a new Artistic Director, which included four representative Board members, representation of our principal funders the Scottish Arts Council and Glasgow City Council, and two distinguished professional advisers, Professor Thelma Holt, a Vice-President of Citizens', and Patrick Mason, former Artistic Director of the Abbey Theatre, Dublin. I am delighted to announce the appointment of Jeremy Raison, formerly Artistic Director of the Chester Gateway Theatre and an established director of productions at the Royal National Theatre, London, and the West End Stage. He was formerly an associate director of the Traverse Theatre, Edinburgh.

TAG, too, lost its Artistic Director, James Brining who has been appointed to the Artistic Directorship of Dundee Repertory Theatre. James has made a magnificent contribution to TAG, most notably with the ground breaking Making the Nation project which raised the profile of the Company, and indeed of Theatre for Young People, in Scotland and internationally. Emily Gray, Assistant Director of Unicorn Theatre, London, run by former TAG director, Tony Graham, will take over the Company in December.

The Board offers thanks and good wishes to all those departing and extends a sincere welcome to our new directors.

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 the creativity and talent of all participants, actors, backstage and front of house staff.

Finally the Board seeks to extend its thanks to Donald Frame, of Wylie Frame, Secretaries to the Company, whose loyalty, integrity and wisdom remains essential to the Theatre's continued well-being.

CITIZENS' THEATRE**Artistic Programme**

There were thirteen Citizens' company productions at the theatre over this period. Including the Visiting Company season, the Citizens' presented 384 performances, attracting a total attendance of 64,832. The education and outreach programme promoted 350 events, involving 5,678 participants. In 2002/03, a total of 71,518 people were involved in Citizens' Theatre activities.

Five world premieres of new plays were staged in the Circle Studio and the Stalls Studio over the autumn and spring seasons; in the Stalls Studio, *The Trails of Oscar Wilde*, adapted, directed and designed by Jon Pope, and *Pleasure & Pain*, stories by Guy de Maupassant, adapted and directed by Mark Thomson; in the Circle Studio, *Damn'd Jacobite Bitches* by Stuart Thomas, directed by Mary McCluskey, *Cheri* by Colette, adapted, directed and designed by Philip Prowse, and *The Nun*, by Diderot, translated and adapted by Phoebe von Held in collaboration with Finn Fordham and Caroline Warman and directed and designed by Phoebe von Held.

There were three Scottish premieres: in the Stalls Studio *The Fever* by Wallace Shawn, directed by Guy Hollands, and in the Circle Studio *Britannicus* by Jean Racine, translated by Robert David MacDonald and directed and designed by Philip Prowse. In the Main Theatre, the Christmas production *Scrooge*, A Christmas Carol by Charles Dickens, adapted by Neil Bartlett and directed and designed by Kenny Miller played to full houses. The cast included students from the Royal Scottish Academy of Music and Drama, continuing the very successful partnership between the theatre and the drama school.

Other highlights included *The Importance of Being Earnest* by Oscar Wilde, directed by Giles Havergal, *The Entertainer* by John Osborne, directed by Caroline Paterson, *Dial M for Murder* by Frederick Knott, directed and designed by Kenny Miller, and *Bash* by Neil LaBute, directed by Aletta Collins.

Death in Venice directed and performed by Giles Havergal and adapted by Robert David MacDonald and David Luke, toured to New York, for twenty-four performances at the Manhattan Ensemble Theatre. It was nominated by *Time Out* as one of the top ten productions in New York in 2002.

Visiting Company Season

In April and September 2001, the Theatre was host to eighteen companies.

Highlights of both seasons included *Uncle Vanya* by Theatre Babel, *The Good Woman of Setzuan* by TAG, *Gargarin Way* by Traverse Productions Ltd, *Copenhagen* by Mull Theatre, and the double bill of *Hyperlynx* and *Wild Raspberries* by Floodtide. Tony Benn made a very popular appearance on the Main Stage.

The Scottish Youth Theatre

The Scottish Youth Theatre holds its Summer Festival at the Theatre for five weeks in July and August, an important part of our programme. Over this period 300 young people attended courses, culminating in a week of one-off performances by the Foundation students, and six performances of *The Prime of Miss Jean Brodie*, directed by Mary McCluskey in the Main Theatre and six performances of *Through the Looking Glass*, directed by Kenny Miller in the Circle Studio

Education & Outreach

The success of the work undertaken by Guy Hollands and Neil Packham as the Gorbals Drama Workers, has led to an extension of the range of activities for our communities both within the formal and informal education sectors. We undertook over 350 different sessions during the year involving 5,678 participants – over 85% of whom were from the Glasgow area. Audience attendance for project presentations was 1,605.

'Pay What You Can' previews and matinees were introduced for all Citizens' company productions. Backstage tours for schools, colleges and community groups continued, as did the audio-described and signed performances. Giles Havergal, Guy Hollands, Mark Thomson and Mary McCluskey gave post-show talks. An Open Day held in September as part of the Glasgow City Council's Open Doors Day attracted over 220 people into the Theatre, and offered an opportunity to promote the Gorbals Card which enables any resident in the area to attend a performance for £1.

Major initiatives include the Community Performance Projects and the Workshop Programme. There were three Community Performance Projects launched in the past year, namely, *Night School* (March – May, 2002), *Full of Noises* (August – September, 2002) and *New York Actor* (March – April, 2003). *Full of Noises*, based on *The Tempest* was part of the Cultural Diversity Project targeting new residents in Glasgow. Dramatist, Peter Arnott, together with members of the Citizens' Community Company, created an ensemble piece based on monologues written by company members, presented in the Stalls Studio in January 2003. A wide range of workshops was delivered to diverse groups from pre-school children, primary and secondary pupils and students at the Glasgow College of Nautical Studies. Two collaborative projects of particular interest are, the weekly *Sense* workshops, which the Citizens' facilitated for Sense Scotland, and the 'Arts for all Programme', jointly organised with Glasgow School of Art, supported by the Clydesdale Bank.

Development

The Citizens' Theatre gratefully acknowledges the continued support of the Scottish Arts Council's Advancement Programme lottery funding for the post and for the activities of the Development Manager (October 2000 – October 2003).

Citizens' Development Fund

April 2002 saw the launch of the new Citizens' Development Fund to widen the sources of income and support for the Theatre artistic and educational/outreach work. The Honorary Patrons for the Citizens' Development Fund were selected from well known actors who had worked at the Citizens': Stanley Baxter, Pierce Brosnan, Robbie Coltrane, Rupert Everett, Glenda Jackson, Gary Oldman and Moira Shearer.

Citizens' Seat Dedication Scheme

The Citizens' Seat Dedication scheme, launched by its Honorary Patron, David Hayman, has attracted over eighty donors, mainly individual theatre-goers but also family and general trusts, notably The Binks Trust. The Citizens' Theatre Society has contributed generously towards this new scheme.

Education and Outreach

As a result of funding from major trusts and from the lottery, the Citizens' Theatre successfully expanded its Education and Outreach Department, with the appointment of the Gorbals Drama Worker's post. The Northern Rock Foundation and the Esmée Fairbairn Foundation funded the cost of this post for three years (2002-2005). Project activities are funded by the Community Fund, which notably has also helped to support the annual production of the Citizens' Community Company. The Paul Hamlyn Foundation has funded the Citizens' Cultural Diversity Performance Project for three years (2002-2004). Other funders who have contributed to project activities in the Gorbals include Gorbals Social Inclusion Partnership, the Scottish Arts Council and the Abbey National Charitable Trust.

Sponsors, Arts and Business, and Trusts

Mitchells Robertson (solicitors to the Citizens') and Wylie Frame (secretaries to the Citizens') co-sponsored the Christmas production of *Scrooge*. Each has secured a New Partners Arts & Business Award. The New Partners Award to Mitchells Robertson enhanced the education and outreach activities related to *Scrooge*, including a drama workshop for Mitchells Robertson staff. The New Partners Award to Wylie Frame has enabled the Citizens' to commission Peter Arnott to Adapt Victor Hugo's *The Court of Miracles* for the Citizens' Cultural Diversity Performance, 2003. Wylie Frame staff will observe and participate in summer workshops linked to this production with members of the cast. Mitchells Robertson and Wylie Frame have also been shortlisted for the Arts & Business Scottish Awards (May 2003).

Scrooge also secured support from the following Trusts: The Bellahouston Bequest Fund, The Merchants House of Glasgow, Dr J N Marshall (Island of Bute) Memorial Trust, The Royal Incorporation of Hutchesons' Hospital in the City of Glasgow, the Saints & Sinners Club of Scotland.

The Citizens' Theatre Society made a valuable sponsorship contribution towards the costumes of Philip Prowse's *Cheri*.

Dr Calder's Charitable Trust (per Mactaggart & Co. Solicitors) continues to give its valued support towards the artistic activities of the Citizens' Theatre.

Corporate Citizens

The professional business community support the Citizens' through the Corporate Citizens' membership scheme. Corporate Citizens includes Scottish Power, BAA Glasgow Airport, The Weir Group PLC, Murgitroyd & Company, Royal Mail Group, Rutherford and Macpherson, Fairway Forklifts, Scottish Council for Development & Industry. Having been a founder member of the scheme since its inception, the Bank of Scotland has this year chosen to give a major donation for the Company's Diamond Jubilee.

Internship

Funds were raised for a twelve month internship by a young person from an ethnic minority background. Jennifer Eunson was appointed in November 2002 to work on the Stage Management team. We would like to thank the Scottish Arts Council, Glasgow City Council and Glasgow Anti Racist Alliance for their support for this post.

Building Improvement: Fire Alarm System

Glasgow City Council made possible the crucial upgrading of the fire alarm system through a major grant.

Funding

Continuing revenue support was received from the Scottish Arts Council (£829,900), and Glasgow City Council contributed a revenue grant of £475,500, a reduction of £45,000 on the previous year.

The Theatre is grateful to the following other local authorities for continued support for projects and workshop fees: East Renfrewshire Council, North Lanarkshire Council, South Lanarkshire Council and West Dunbartonshire.

The SAC Advancement Programme subvention for this year was £41,062. The Citizens' Theatre is in the third and final year of a programme to evolve a new audience development strategy, to increase earned income and to research the viability of an extended catering operation.

TAG**PRODUCTIONS****Dr Korzcak's Example****Scottish International Children's Festival, 27-29 May 2002**

The Company was invited to revive David Greig's play as part of the International Children's Festival in Edinburgh. The production played to full houses for five performances at the Traverse.

The Good Woman of Setzuan**12 September – 2 November 2002**

This version of Brecht's classic theatre parable relocated to a contemporary setting opened with eight performances in the Main House at the Citizens', and subsequently toured to seventeen venues across Scotland. David Young provided a specially commissioned score. The production which played to over 4500 people was accompanied by an extensive education programme with participatory workshops.

Playing with Fire**3 February – 4 April 2003**

This play by Maya Chowdhry was the culmination of a project initiated in 2001, when TAG was invited to develop a piece of work to combat racism in Glasgow by the City Council's Education Department in partnership with the Glasgow Anti-Racist Alliance (GARA). The remit was to produce a piece of work that would play to S3 pupils in every secondary school in Glasgow during February and March 2003. *Playing with Fire* was presented to thirty-nine secondary schools in Glasgow, and, in addition, to twelve schools in Aberdeen, a total of eight-six performances seen by 5668 S3 pupils in Glasgow and 1579 in Aberdeen. The play was accompanied by 215 participatory workshops.

YOUNG EUROPEANS Jul/Aug 2002

The final element of TAG's ambitious *Making the Nation* project involved young people from Moffat and East Glasgow Youth Theatres in a creative cultural exchange with young people from Denmark. This took the form of a residency in Denmark and culminated in performances of a devised piece which explored their experience and understanding of local, national and European identity.

In Glasgow, the performances were part of a major Festival of Youth Theatre at Tramway organised by TAG which brought together 100 young people from across Scotland and Northern Europe for three days of intensive cultural exchange and dialogue.

TAGLINES September 2002 to March 2003

The Company received a BBC Radio Drama commission to produce a short play to be broadcast on Radio 4, written by young playwrights around the themes of home and identity. The Company worked for a period of months with groups of writers from the Traverse Young Writers group, Isle of Skye Young Writers group and the Lemon Tree Youth Theatre in Aberdeen. The project was then expanded to include rehearsed readings of stage plays by the same groups of writers in venues in Edinburgh, Aberdeen and Skye. The radio play was broadcast on BBC Radio 4 and on the World Service on Monday 17 March 2003.

ARTS IN THE CITY

The Company participated in a year long combined arts project, specifically designed for young people leaving care.

FUNDING

The Company was awarded Fixed Term Funding by the Scottish Arts Council for two years for 2002/2004 of £450,000 over both years. Glasgow City Council awarded an annual revenue grant of £28,000, and a special grant of £4,000 towards the Young Europeans Project.

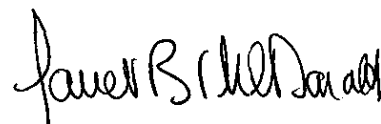
East Dumbartonshire gave £2000 and South Lanarkshire £1000 towards the work of TAG.

STAFFING

The Company was saddened and shocked by the sudden death of Carol Healas, our Education Director, in April 2002.

Karen Douglas, Marketing Officer, and Jon Morgan, General Manager left the Company to take up other posts.

Lorna Duguid replaced Jon Morgan as General Manager, Emily Ballard joined the Company as Education Officer, and Helen Black became our new Marketing Officer.



JANET B I MCDONALD

CHAIRMAN
25 August 2003

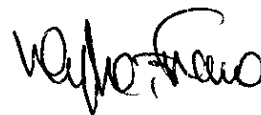
NOTICE OF MEETING

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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 24 September 2003 at 5.00pm to transact the following business:

- 1 To receive and adopt the Directors Report and Financial Statements for the year ended 31 March 2003.
- 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
25 August 2003

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

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The directors have pleasure in presenting their Report and Financial Statements for the year ended 31 March 2003 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 Consolidated Statement of Financial Activities (Including an Income and Expenditure Account) on page 13. The resultant funds of the company are summarised in Notes 5 and 6 to the accounts on pages 16 and 17.

DIRECTORATE

The present directors of the company and those who served during the year ended 31 March 2003, are set out on page 1.

On 25 September 2002 Robert A Mactaggart resigned as a director of the company, on 16 April 2003 Councillors Robert Gray and Charles McCafferty ceased to be nominated directors of Glasgow City Council. On 2 July 2003 the re-nomination of Bailie Irene Graham, and Councillors Jean McFadden and James Mutter as representatives of Glasgow City Council was confirmed.

On the 16 April 2003 Ian McIlhenny resigned as the nominated director of the Citizens Theatre Society. On the 16 July 2003 Miss Margaret Tomlinson was appointed as the nominated director in his stead.

In terms of the Articles of Association Professor Jan McDonald, Dr G H Forbes Macpherson 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.

As at the date of this report, there are two vacancies for ordinary directors of the company.

RESERVES POLICY

It is the policy of the company to ensure that there are committed unrestricted funds at a level that equates to the annual budgeted unrestricted expenditure. This ensures there are sufficient funds to cover management and administration and support costs in addition to the costs of the various budgeted productions throughout the year.

RISK MANAGEMENT

The directors have examined the major strategic, business and operational risks which the company faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

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.

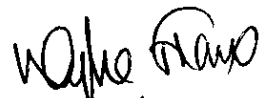
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets 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
25 August 2003

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 MARCH 2003

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We have audited the financial statements on pages 12 to 18 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities and the accounting policies set out on page 14.

This report is made solely to the company's members, in accordance with Section 235 of the Companies act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or the opinions we have formed.

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.

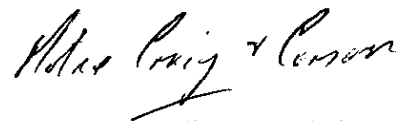
BASIS OF OPINION

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 2003 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
25 August 2003

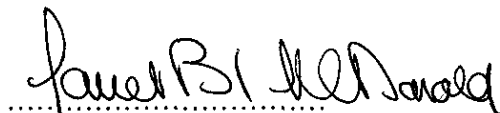
BALANCE SHEET AS AT 31 MARCH 2003

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	<u>Note</u>	£	<u>2003</u> £	£	<u>2002</u> £
FIXED ASSETS					
Tangible Assets	2		678,766		849,612
CURRENT ASSETS					
Stocks		6,425		4,550	
Debtors	3	144,670		204,054	
Deposits		419,530		313,438	
Cash: On hand		3,849		3,107	
In bank		7,745		169,460	
		<u>582,219</u>		<u>694,609</u>	
CREDITORS					
Amounts falling due within one year	4	323,896		486,782	
NET CURRENT ASSETS			258,323		207,827
			<u>937,089</u>		<u>1,057,439</u>
FUNDS					
General Unrestricted Funds	5		130,380		192,191
Designated Special Fund					
Fixed Asset Fund	5		79,242		103,429
General Fund	5		18,449		26,811
Project Fund	5		28,361		-
Restricted Funds	6		680,657		735,008
			<u>937,089</u>		<u>1,057,439</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 25 August 2003.



DIRECTOR

The notes on pages 14 to 18 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2003

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	Note	Restricted Fund £	Unrestricted Designated Special Fund £	Unrestricted General Fund £	Total 2003 £	2002 £
Incoming Resources						
Grant Income		69,312	-	1,643,653	1,712,965	1,700,060
Theatre Income		19,000	36,568	504,297	559,865	413,008
Trading Income		-	-	96,438	96,438	86,343
Touring Income		-	-	10,794	10,794	5,863
Interest Receivable		1,285	-	17,256	18,541	18,574
Development Income		91,642	-	-	91,642	-
Exceptional Income - NI		-	-	-	-	22,998
Total Incoming Resources		<u>181,239</u>	<u>36,568</u>	<u>2,272,438</u>	<u>2,490,245</u>	<u>2,246,846</u>
Resources Expended						
Cost of Generating Funds						
Trading Costs		-	-	59,216	59,216	54,335
Advancement Costs		45,398	-	-	45,398	52,889
Development Costs		1,123	-	-	1,123	-
		<u>46,521</u>	<u>-</u>	<u>59,216</u>	<u>105,737</u>	<u>107,224</u>
Charitable Expenditure						
Theatre Costs		7,787	26,583	1,862,311	1,896,681	1,617,889
Touring Costs		-	-	5,471	5,471	4,030
Community Fund Costs		36,195	-	10,376	46,571	1,109
Depreciation		145,087	24,187	13,746	183,020	188,412
Management & Administration		-	-	373,002	373,002	370,403
Interest Payable		-	-	113	113	527
		<u>189,069</u>	<u>50,770</u>	<u>2,265,019</u>	<u>2,504,858</u>	<u>2,182,370</u>
Total Resources Expended		<u>235,590</u>	<u>50,770</u>	<u>2,324,235</u>	<u>2,610,595</u>	<u>2,289,594</u>
Net Income/Expenditure for Year		<u>(54,351)</u>	<u>(14,202)</u>	<u>(51,797)</u>	<u>(120,350)</u>	<u>(42,748)</u>
Transfer between funds		-	10,014	(10,014)	-	-
		<u>(54,351)</u>	<u>(4,188)</u>	<u>(61,811)</u>	<u>(120,350)</u>	<u>(42,748)</u>
Fund Balances as at 1 April 2002		735,008	130,240	192,191	1,057,439	1,100,187
Fund Balances at 31 March 2003	5/6	<u>680,657</u>	<u>126,052</u>	<u>130,380</u>	<u>937,089</u>	<u>1,057,439</u>

All amounts relate to continuing activities.

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

The notes on pages 14 to 18 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003

14

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, and are in accordance with SORP 2000. Prior to compliance with SORP 2000 capital grants were deferred and released over the life of the assets for which they were received. These grants are now recognised as restricted incoming resources in the year in which they are received and the depreciation is recognised as an expense of the restricted fund. The principal accounting policies, which have been adopted in the preparation of the financial statements, are set out below.

(a) Turnover

Turnover represents grants and theatre income receivable 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 were deducted from the cost of the relevant assets. Grants in respect of capital expenditure are now recognised as restricted incoming resources in the year in which they are received. 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 2003 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 2002	2,052,595	57,617	377,594	38,112	51,496	2,577,414
Additions	-	-	9,729	-	4,539	14,268
Disposals	-	-	(2,588)	-	-	(2,588)
Less:						
Grants and Donations received prior to 31 March 1995	(796,316)	(12,486)	(44,891)	-	(3,479)	(857,172)
At 31 March 2003	1,256,279	45,131	339,844	38,112	52,556	1,731,922
<u>Depreciation</u>						
At 1 April 2002	520,563	43,459	238,472	30,385	37,751	870,630
Provided during year	118,864	1,203	49,573	7,623	5,757	183,020
Disposals	-	-	(494)	-	-	(494)
At 31 March 2003	639,427	44,662	287,551	38,008	43,508	1,053,156
<u>Net Book Value</u>						
At 31 March 2003	616,852	469	52,293	104	9,048	678,766
At 1 April 2002	735,716	1,672	94,231	7,727	10,266	849,612

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 2003 Cont'd

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3	DEBTORS	<u>2003</u>	<u>2002</u>
	Amounts receivable within one year:	£	£
	Trade debtors	41,210	10,050
	Prepayments	90,890	85,646
	Other debtors	12,570	108,358
		<u>144,670</u>	<u>204,054</u>

4	CREDITORS: Amounts falling due within one year	<u>2003</u>	<u>2002</u>
		£	£
	Bank overdraft	55,653	-
	Trade creditors	58,162	56,539
	Other creditors	49,791	25,411
	Creditors for taxation and social security	25,686	29,594
	Accruals and deferred income	134,604	375,238
		<u>323,896</u>	<u>486,782</u>

5 **UNRESTRICTED FUNDS:**

General Unrestricted Fund

	Theatre About Glasgow <u>Fund</u> £	Citizens Theatre <u>Fund</u> £	Total <u>2003</u> £	<u>2002</u> £
Balance at 1 April 2002	68,650	123,541	192,191	152,686
Surplus/(Deficit) for the year	11,973	(63,770)	(51,797)	39,505
Transfer between funds	(10,014)	-	(10,014)	
Balance at 31 March 2003	<u>70,609</u>	<u>59,771</u>	<u>130,380</u>	<u>192,191</u>

Designated Special Fund

	Balance as at <u>01/04/02</u> £	Incoming <u>Resources</u> £	Outgoing <u>Resources</u> £	Transfers <u>between funds</u> £	Balance as at <u>31/03/03</u> £
Fixed Assets	103,429	-	(24,187)	-	79,242
General Fund	26,811	-	(8,362)	-	18,449
Project Fund	-	36,568	(18,221)	10,014	28,361
	<u>130,240</u>	<u>36,568</u>	<u>(50,770)</u>	<u>10,014</u>	<u>126,052</u>

General Unrestricted Funds are expendable at the discretion of the Board in furtherance of the objects of The Citizens Theatre.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003 Cont'd

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5 UNRESTRICTED FUNDS cont'd

The **Designated Special Fund**, made up of the Designated Fixed Assets Fund and the Designated General Fund, was set up from the windfall receipt of National Insurance of £110,936 reclaimed in respect of Citizens Theatre. The amount transferred to the Designated Fixed Assets Fund was utilised to purchase a year 2000 compliant computer system and the balance of that fund together with the further funds raised has to date been utilised to finance the refurbishment of the foyer and installation of the new entrance doors.

The **Designated Fixed Assets Fund** represents the net book value of these tangible fixed assets. Each year an amount is expended from the fund representing the movement in the net book value of the designated tangible fixed assets in the year.

The expenditure approved by the Board out of the **Designated General Fund** during the year was in respect of essential maintenance and safety work required to meet current regulations and the replacement of the vandalised front canopy glass panels.

The **Designated Project Fund** represents funds received for specific projects but not expended as at 31 March 2003.

6 RESTRICTED FUNDS

	Balance as at 01/04/02	Incoming Resources £	Outgoing Resources £	Balance as at 31/03/03 £
Fixed Assets Fund	696,943	1,896	(145,087)	553,752
SAC - Advancement Fund	30,524	41,062	(45,398)	26,188
Community Fund	7,541	32,904	(36,195)	4,250
Internship Fund	-	12,450	(7,787)	4,663
Development Fund				
Seat Dedication	-	69,247	(723)	68,524
Picture Book	-	17,180	(400)	16,780
General Donations	-	6,500	-	6,500
	<u>735,008</u>	<u>181,239</u>	<u>(235,590)</u>	<u>680,657</u>

The **Fixed Assets Fund** reflects the book value of assets funded by donations and grants given for the purchase of specific assets.

The **SAC Advancement Fund** is a fund to develop opportunities to increase the Theatres' income base from sources other than statutory revenue funds.

The **Community Fund** is a fund to develop projects within the Gorbals area.

The **Internship Fund** is to fund a 12 month, training based internship by a young person from a minority ethnic background.

The **Development Fund** represents unexpended donations received under the seat dedication scheme and other donations received for development of work on the stage together with donations received for the purpose of funding the production of the Citizens' Theatre Picture Book 1986-2003.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003 Cont'd

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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 "Accruals" are £5,823. (2002: £Nil)

9 **OTHER FINANCIAL COMMITMENTS**

At 31 March 2003 the company had annual commitments under non-cancellable operating leases as set out below:

	<u>2003</u>	<u>2002</u>
	£	£
Operating leases which expires:		
Less than one year	2,561	-
Within two to five years	7,514	13,783
	<u>10,075</u>	<u>13,783</u>
	<u>10,075</u>	<u>13,783</u>
10 SURPLUS/(DEFICIT) FOR YEAR	<u>2003</u>	<u>2002</u>
	£	£
The deficit of the company for the year is arrived at as follows:		
Citizens Theatre: Unrestricted General Fund	(63,770)	
Unrestricted Designated Special Fund	(14,202)	
Restricted Fund	<u>(43,219)</u>	
	(121,191)	(15,523)
Theatre About Glasgow: Unrestricted General Fund	1,959	
Unrestricted Designated Special Fund	10,014	
Restricted Fund	<u>(11,132)</u>	
	841	(27,225)
	<u>(120,350)</u>	<u>(42,748)</u>
	<u>(120,350)</u>	<u>(42,748)</u>
After charging:	£	£
Auditor's remuneration	2,450	2,400
Depreciation: of owned assets	183,020	188,412
	<u>185,470</u>	<u>190,812</u>
Operating lease rentals – equipment and vehicle	13,095	12,210
	<u>13,095</u>	<u>12,210</u>
Total employee emoluments	549,076	496,746
	<u>549,076</u>	<u>496,746</u>

The average number of employees under a contract of service during the year was 25. The number of employees earning £40,000 or more were as follows:

40,000 - 50,000

3

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