

THE CITIZENS THEATRE LIMITED

**DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS**

FOR

THE YEAR ENDED 31 MARCH 2004

Company No. SC022513



**MILNE CRAIG LTD
CHARTERED ACCOUNTANTS**

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DIRECTORS AND OFFICERS

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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
Councillor Francis Docherty (Appointed 24.09.03)
Bailie Mrs Margaret McCafferty (Appointed 24.09.03)
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)
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.
(Resigned 24.09.03)
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.
Arthur N Sanderson M.B.E. (Appointed 24.09.03)

SECRETARIES:

Milne Craig Ltd, Paisley

BANKERS:

Bank of Scotland, Glasgow

AUDITOR:

Hardie Caldwell, Chartered Accountants

REGISTERED OFFICE:

Abercorn House, 79 Renfrew Road, Paisley PA3 4DA

The year 2003 was a time of celebration and of change for the Citizens' Theatre: it was the Diamond Jubilee of the founding of the Company by James Bridie in 1943, and it was the year in which the outstanding leadership of the Theatre by Giles Havergal, Robert David MacDonald and Philip Prowse came to an end. The highly talented triumvirate changed the face of theatre in Scotland, catapulting the Citizens' to international fame and recognition.

Jeremy Raison was appointed as Artistic Director in November and autumn 2004 brings the first full season under his artistic leadership with three productions on the main stage to Christmas, an ensemble project in the Circle studio as well as guest companies and a full education and outreach programme.

Following the outcome of a review in Spring 2004 on the future options of TAG, the Board has agreed over the coming year to explore an option for a new joint vision for TAG and the Citizens Theatre. This option will offer Glasgow and the West of Scotland a power house for world class theatre, a centre for creativity and life long learning and extend the work on offer at the theatre. A final decision on this option will be taken in March 2005.

The Board records their sadness at the untimely death of Robert David MacDonald in May 2004. David worked in many countries and in all aspects of theatre, but he will always be identified and known for his work at the Citizens' Theatre.

CITIZENS' THEATRE

Artistic Programme

The Diamond Jubilee season opened with a full programme of nine productions which celebrated the best of world classics, adaptations and new plays, the highlight of which was Philip Prowse's production of Thomas Otway's *Venice Preserved* which reminded audiences of the distinctive visual and presentational style that characterised the productions of this consummate theatre artist. The Board records its thanks to Philip for overseeing the plans for the Jubilee and for his magnificent contribution to the Citizens' as director and designer over the past thirty-five years.

Citizens' Company Productions

There were twelve productions by the Citizens' Company over this period, including five world premieres and four Scottish premieres.

In the Stalls Studio, *The Cutting Room* by Louise Welsh, adapted by Tam Dean Burn, co-directed by Tam and Kenny Miller, who also designed the production, was an artistic and box-office success. Other Stalls Studio premieres, all of an excellent standard, were *The Four Twins* by Copi, directed and designed by Kenny Miller, and *Nightingale and Chase* by Zinnie Harris, directed by Guy Hollands. This is a very valuable playing space and one which is integral to the artistic programming of the Citizens'.

Premieres in the Circle Studio include Jon Pope's adaptations of *Wide Sargasso Sea* by Jean Rhys and of *The Queen of Spades* by Alexander Pushkin, both of which Jon also directed and designed, *Nothing* by Henry Green, adapted by Andrea Hart and directed by Robert David MacDonald, and *Smoking with Lulu* by Janet Munsil, directed and designed by Kenny Miller.

CHAIRMAN'S REPORT

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In the Main Theatre, the Christmas show was a new adaptation by Robert David MacDonald of *Snow White* by the Brothers Grimm, directed and designed by Kenny Miller. Other productions included Caryl Churchill's *Top Girls*, directed by Hettie Macdonald, Noel Coward's *Private Lives*, directed by Ian Spink and Brecht's *The Resistible Rise of Arturo Ui*, directed by Philip Breen.

Visiting Company Seasons

In April, May, and September 2003 and March 2004, the Theatre was host to twenty-one different companies and events. The policy that shapes the Visiting Companies Season is that well-established groups or individuals perform on the Main Stage, whilst emergent, experimental or community groups perform in the Circle Studio.

Highlights of these seasons included *Thebans* by Theatre Babel, *The Factory Girls* by 7:84, *The Quare Fellow* by Oxford Stage, *The Merchant of Venice* by Northern Broadsides and *Love Like Salt* by TAG.

Number of Performances

Performances by the Citizens' Company and by visiting companies totalled 401, attracting an attendance of 61,339 (58.53% capacity).

The Scottish Youth Theatre

The annual visit of the Scottish Youth Theatre, which holds its Summer Festival at the Theatre for five weeks in July and August, is an important part of the programme. Over this period some 300 young people attend courses, which culminate in a week of one-off performances by the Foundation courses and this year included five performances of *Our Town* in the Main Theatre, eight performances of *Haroun and the Seas of Stories* in the Circle Studio and five performances of *Waking Shadows* in the Stalls Studio.

Education and Outreach

The success of Guy Hollands and Neil Packham in the shared post of Gorbals Drama Worker continued with a range of community activities within the formal and informal education sectors. They undertook over 410 different sessions during the year with a total of some 5,286 participants over 90% of whom were from the Glasgow area.

Performance Projects

New York Actor, a Community Performance Project took place from March-May 2003 and *Court of Miracles*, a Cultural Diversity Performance Project in August-September 2003. *Winter Voices*, a 'Writing for the Stage' Project was held in December 2003 – January 2004. This last involved members of the Citizens' Community Company collaborating in writing a forty-five minute ensemble piece, under the guidance of dramatist, Peter Arnott, which the Company subsequently performed for two evenings in the Stalls Studio. The 'Mace' Project, in conjunction with three local schools, engaged with the concept of Citizenship and resulted in presentations on the topic to Gorbals Primary Schools. New projects during the year included 'Theatre Memories' to celebrate the Citizens' Jubilee Year, and two collaborative enterprises, one with Glasgow School of Art entitled 'Making the Ordinary Extraordinary' and the other in partnership with the Scottish Executive, called 'Space Unlimited'.

Workshops

As usual, a full programme of workshops was undertaken by the Education and Outreach team, including a series based on the Christmas Show, *Snow White*, which was delivered to every primary 3 and primary 7 class in the Gorbals, the 'Behind the Lines' workshops which precede school group's attendance at particular productions in the theatre, and practical classes on the theories of Stanislavsky and Brecht were held for students of Glasgow College of Nautical Studies in the Gorbals

Access

Pay What You Can previews and matinees were introduced for all Citizens' company productions. Backstage tours for schools, colleges and community groups continued, as well as the audio-described and signed performances. Post-show talks involved distinguished speakers including Louise Welsh. The Gorbals Card, which enables any resident in the area to attend a performance for £1, continues to be a central part of the marketing strategy.

Development

The Citizens' Theatre gratefully acknowledges the continued support of the Scottish Arts Council Advancement Programme funding for the post and the activities of the Development Manager.

Citizens' Development Fund

The purpose of this is to attract funds to enhance the work on the stages and to support the education and outreach work. The Theatre is grateful for the ongoing support it receives from individuals, trusts and foundations and private business. The Honorary Patrons for the Citizens' Development Fund are: Stanley Baxter, Pierce Brosnan, Robbie Coltrane, Rupert Everett, Glenda Jackson, Gary Oldman and Moira Shearer.

Citizens' Seat Dedication Scheme

Honorary Patron David Hayman. The Theatre is grateful for the ongoing support of individuals and trusts and foundations under this scheme, including the Binks Trust and the Citizens' Theatre Society.

Education and Outreach

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

Corporate Citizens'

The professional and business community support the Citizens' through the Corporate Citizens' membership scheme through which companies enjoy hospitality arrangements and publicity benefits. Current Corporate Citizens' include: Scottish Power, BAA Glasgow Airport, The Weir Group PLC, Murgitroyd & Company, Royal Mail Group, Rutherford & Macpherson, Fairway Forklifts, Scottish Council for Development & Industry.

Capital Projects

The Gannochy Trust made possible the crucial replacement and upgrading of the workshop equipment.

CHAIRMAN'S REPORT

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Funding***Core Funds***

A core grant of £910,600 was received from the Scottish Arts Council: an increase of £80,700 over the previous year. A core grant of £425,500 was received from Glasgow City Council, a reduction of £50,000 on the previous year.

Project Funds

The Theatre is very grateful for the additional project grants to celebrate the Diamond Jubilee, from the Scottish Arts Council, £70,000, and Glasgow City Council, £95,000.

Other

The SAC Advancement Programme subvention for this year was £10,245. This was the third and final year of a three-year agreed programme to develop a new audience development strategy, to increase earned income and to research the viability of an extended catering operation.

TAG THEATRE COMPANY**Productions****King Matt & Dr Korczak's Example, 27 May – 20 June 2003**

TAG was the first Scottish company to receive an invitation to the London International Festival of Theatre, to restage the company's successful productions of *King Matt* by Stephen Greenhorn and *Dr Korczak's Example* by David Greig for two weeks at Battersea Arts Centre. *Dr Korczak's Example* also played as part of the Scottish International Children's Festival in Edinburgh as part of the schools' outreach programme, playing at North Edinburgh Arts Centre and two Lothian schools. The run was completed at the Tron Theatre, Glasgow. In total twenty-three performances took place, playing to audiences of 1,603.

The Birthday Party, 19 September – 31 October 2003

TAG's production of Pinter's classic play opened with six performances at the Tron Theatre, Glasgow and subsequently toured to fifteen venues across Scotland. Signing and audio description were provided at the Tron Theatre, Traverse Theatre and Ayr Gaiety. The production was directed by Guy Hollands, designed by Neil Warmington with original sound by John Irvine. The production, which played to over 3,585 people was accompanied by an extensive Scotland-wide education programme.

TAG received a grant of £1,844 from SAC Audience Development Fund to take part in the Education Demonstration Projects Pilot for *The Birthday Party* in Aberdeen schools in collaboration with The Lemon Tree.

Love like Salt, 6 January – 2 April 2004

Love like Salt was a highly successful intergenerational project bringing together elders and children from the Royston and Pollok areas of Glasgow. The project explored the folktale *Love like Salt*, which is said to have been the inspiration for Shakespeare's *King Lear* through storytelling and drama. Workshops took place over eight weeks in a day centre and in two primary schools and the project culminated in five performances in the Citizens' Theatre Circle Studio. The project involved eighty participants and 327 audience members.

Projects

Pictures at an Exhibition, July 2003

In association with East Renfrewshire Council, TAG ran a two-week music and drama performance project with eighteen upper primary children, based on *Pictures at an Exhibition* by Mussorsky and the paintings by Hartmann which inspired the composer.

Arts in the City, November – December 2003

Once again, TAG delivered the drama workshops for the combined arts project for young people leaving care, working with a core group of eleven young people towards the performance of a pantomime.

Holocaust Memorial Project, November – December 2003

TAG was commissioned by East Renfrewshire Council to run a drama project to commemorate Holocaust Memorial Day. The project ran in all thirty-one schools, reaching 1,672 P7 and S1 pupils.

Score Arts, January – March 2004

With Glasgow City Council Youth Services, TAG ran a ten week drama project for S3 girls in all eight areas of Glasgow. The project reached 120 participants.

Funding

TAG was awarded Core Funding by the Scottish Arts Council of £236,000 with an additional £5,000 support for *King Matt/Dr Korczak's Example* at LIFT and £1,844 for *The Birthday Party* Audience Development project. £28,000 was awarded by Glasgow City Council towards an Audience Development project. South Lanarkshire Council gave £1,000 towards education support of *The Birthday Party* in November 2003. The Scottish Arts Council announced that TAG's Core Funding would be reduced for the period 2004/6. This prompted a review of the company, specifically its relationship with the Citizens' Theatre Company, towards which Glasgow City Council contributed £3,000 and the Scottish Arts Council, £12,000. This review will be completed in 2004/5.

Staffing

James Brining, Artistic Director and Lorna Duguid, General Manager left TAG to take up posts with Dundee Repertory Theatre. Emily Gray was appointed as Artistic Director and following her resignation, Guy Hollands was appointed to the post in March 2004. Emily Ballard, TAG's Education Officer, took up the post of Acting General Manager and the company welcomed Emily Chevalier as Temporary Education Officer.

The Board acknowledges the significant contribution made to the artistic development and administrative efficiency of TAG by James and Lorna and wishes them well in their new posts. The period from November 2003 to March 2004 was a very difficult one for the Company. Standards could not have been so well maintained had it not been for the outstanding work of Emily Ballard and Guy Hollands, for which the Directors are extremely grateful.

CHAIRMAN'S REPORT

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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 the creativity and talent of participants, actors, backstage and front of house staff. As Chair, I must thank Board Members for their enthusiasm and commitment, particularly members of the Development Committee, ably chaired by Roddie Macpherson, and of the Chair's Committee. My gratitude to Donald Frame who represents our Company Secretaries remains undiminished.



JANET B I MCDONALD

CHAIRMAN
25 August 2004

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 22 September 2004 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 2004.
- 2 To elect an Honorary President and Honorary Vice-Presidents.
- 3 To elect Directors.
- 4 To re-appoint Hardie Caldwell, Chartered Accountants, Glasgow 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



Milne Craig Ltd
Secretaries

Abercorn House
79 Renfrew Road
Paisley
PA3 4DA
25 August 2004

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 2004 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. A review of these activities is included in the Chairman's report.

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 2004, are set out on page 1.

On 24 September 2003 Nick C D Kuenssberg resigned as a director of the company. On 24 September 2003 Arthur N Sanderson was appointed as a director of the company and he therefore falls to retire at the forthcoming Annual General Meeting. Being eligible, he offers himself for re-election.

In terms of the Articles of Association Professor William T Scott, R A Macpherson, and Rosemary Haubsbaum 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 Hardie Caldwell, 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



Milne Craig Ltd
Secretaries

Abercorn House
79 Renfrew Road
Paisley
PA3 4DA
25 August 2004

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 MARCH 2004

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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.

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 in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Director's Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we became aware of any apparent misstatements within it.

BASIS OF OPINION

We conducted our audit in accordance with United Kingdom 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 2004 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.



Hardie Caldwell
Registered Auditor

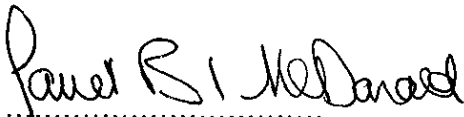
BALANCE SHEET AS AT 31 MARCH 2004

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	<u>Note</u>	<u>2004</u>	<u>2003</u>
		£	£
FIXED ASSETS			
Tangible Assets	2	534,066	678,766
CURRENT ASSETS			
Stocks		5,384	6,425
Debtors	3	87,267	144,670
Deposits		451,865	419,530
Cash: On hand		4,190	3,849
In bank		8,400	7,745
		<u>557,106</u>	<u>582,219</u>
CREDITORS			
Amounts falling due within one year	4	236,810	323,896
NET CURRENT ASSETS		<u>320,296</u>	<u>258,323</u>
		<u>854,362</u>	<u>937,089</u>
FUNDS			
General Unrestricted Funds	5	118,175	130,380
Designated Special Fund			
Fixed Asset Fund	5	55,055	79,242
General Fund	5	18,449	18,449
Project Fund	5	38,986	28,361
Restricted Funds	6	623,697	680,657
		<u>854,362</u>	<u>937,089</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 2004.



DIRECTOR

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2004

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	<u>Note</u>	<u>Restricted Fund</u> £	<u>Unrestricted Designated Special Fund</u> £	<u>Unrestricted General Fund</u> £	<u>Total 2004</u> £	<u>2003</u> £
Incoming Resources						
Grant Income		68,362	7,000	1,769,600	1,844,962	1,712,965
Theatre Income		29,570	41,200	384,561	455,331	559,865
Trading Income		-	-	95,883	95,883	96,438
Touring Income		-	-	-	-	10,794
Interest Receivable		2,705	-	15,511	18,216	18,541
Development Income		45,407	-	-	45,407	91,642
Gain on Sale – Motor Vehicle		-	-	2,449	2,449	-
Total Incoming Resources		146,044	48,200	2,268,004	2,462,248	2,490,245
Resources Expended						
Cost of Generating Funds						
Trading Costs		-	-	56,713	56,713	59,216
Advancement Costs		22,892	-	-	22,892	45,398
Development Costs		303	-	-	303	1,123
Marketing Information Costs		18,387	-	-	18,387	-
		41,582	-	56,713	98,295	105,737
Charitable Expenditure						
Theatre Costs		7,557	39,312	1,815,256	1,862,125	1,896,681
Touring Costs		-	-	-	-	5,471
Community Fund Costs		36,501	-	-	36,501	46,571
Depreciation		117,364	24,187	13,118	154,669	183,020
Management & Administration		-	-	393,364	393,364	373,002
Interest Payable		-	-	21	21	113
		161,422	63,499	2,221,759	2,446,680	2,504,858
Total Resources Expended		203,004	63,499	2,278,472	2,544,975	2,610,595
Net Income/Expenditure for Year		(56,960)	(15,299)	(10,468)	(82,727)	(120,350)
Transfer between funds		-	1,737	(1,737)	-	-
		(56,960)	(13,562)	(12,205)	(82,727)	(120,350)
Fund Balances as at 1 April 2003		680,657	126,052	130,380	937,089	1,057,439
Fund Balances at 31 March 2004	5/6	623,697	112,490	118,175	854,362	937,089

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 2004

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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 notified.

(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 2004 Cont'd

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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 2003	2,052,595	57,617	384,735	38,112	56,035	2,589,094
Additions	-	-	10,073	-	-	10,073
Disposals	-	-	-	(38,112)	-	(38,112)
Less:						
Grants and Donations received prior to 31 March 1995	(796,316)	(12,486)	(44,891)	-	(3,479)	(857,172)
At 31 March 2004	1,256,279	45,131	349,917	-	52,556	1,703,883
<u>Depreciation</u>						
At 1 April 2003	639,427	44,662	287,551	38,008	43,508	1,053,156
Provided during year	118,196	268	30,448	-	5,757	154,669
Disposals	-	-	-	(38,008)	-	(38,008)
At 31 March 2004	757,623	44,930	317,999	-	49,265	1,169,817
<u>Net Book Value</u>						
At 31 March 2004	498,656	201	31,918	-	3,291	534,066
At 1 April 2003	616,852	469	52,293	104	9,048	678,766

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 2004 Cont'd

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3 DEBTORS	<u>2004</u>	<u>2003</u>
Amounts receivable within one year:	£	£
Trade debtors	9,024	41,210
Prepayments	68,635	90,890
Other debtors	9,608	12,570
	<u>87,267</u>	<u>144,670</u>

4 CREDITORS: Amounts falling due within one year	<u>2004</u>	<u>2003</u>
	£	£
Bank overdraft	68,766	55,653
Trade creditors	25,795	58,162
Other creditors	38,358	49,791
Creditors for taxation and social security	20,042	25,686
Accruals	83,849	134,604
	<u>236,810</u>	<u>323,896</u>

5 UNRESTRICTED FUNDS:**General Unrestricted Fund**

	Theatre About Glasgow <u>Fund</u>	Citizens Theatre <u>Fund</u>	Total <u>2004</u>	<u>2003</u>
	£	£	£	£
Balance at 1 April 2003	70,609	59,771	130,380	192,191
Surplus/(Deficit) for the year	(248)	(10,220)	(10,468)	(51,797)
Transfer between funds	(1,737)	-	(1,737)	(10,014)
Balance at 31 March 2004	<u>68,624</u>	<u>49,551</u>	<u>118,175</u>	<u>130,380</u>

Designated Special Fund

	Balance as at <u>01/04/03</u>	<u>Incoming</u> <u>Resources</u>	<u>Outgoing</u> <u>Resources</u>	<u>Transfers</u> <u>between funds</u>	Balance as at <u>31/03/04</u>
	£	£	£	£	£
Fixed Assets	79,242	-	(24,187)	-	55,055
General Fund	18,449	-	-	-	18,449
Project Fund:					
Citizens Theatre	18,347	26,000	(20,298)	-	24,049
Theatre About Glasgow	10,014	22,200	(19,014)	1,737	14,937
	<u>126,052</u>	<u>48,200</u>	<u>(63,499)</u>	<u>1737</u>	<u>112,490</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 2004 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.

There was no expenditure out of the **Designated General Fund** during the year.

The **Designated Project Fund** represents funds received for specific projects but not expended as at 31 March 2004.

6 RESTRICTED FUNDS

	Balance as at 01/04/03	Incoming Resources	Outgoing Resources	Balance as at 31/03/04
	£	£	£	£
Fixed Assets Fund	553,752	5,000	(117,364)	441,388
SAC - Advancement Fund	26,188	10,245	(22,892)	13,541
Community Fund	4,250	48,198	(36,501)	15,947
Internship Fund	4,663	1,050	(5,713)	-
Marketing Information Manager	-	23,555	(18,387)	5,168
Writers Grant - Citizens Theatre	-	5,040	-	5,040
Consultancy Grant	-	3,000	-	3,000
Development Fund:				
Seat Dedication	68,524	11,520	(303)	79,741
Picture Book	16,780	8,562	-	25,342
Garfield Weston Grant	-	25,000	-	25,000
General Donations	6,500	3,030	-	9,530
	<u>680,657</u>	<u>144,200</u>	<u>(201,160)</u>	<u>623,697</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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004 Cont'd

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6 **RESTRICTED FUNDS cont'd**

The **Sac Marketing Information Manager Grant** is to fund a 12 month appointment of a Marketing Information Manager to establish an improved marketing information system.

The **Garfield Weston Grant** is to help fund a young Directors scheme.

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.

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 Nil. (2003: £5,823)

9 **OTHER FINANCIAL COMMITMENTS**

At 31 March 2004 the company had annual commitments under non-cancellable operating leases as set out below:

	<u>2004</u>	<u>2003</u>
	£	£
Operating leases which expire:		
Less than one year	-	2,561
Within two to five years	13,323	7,514
	<u>13,323</u>	<u>10,075</u>

10 **ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<u>Tangible</u> <u>Fixed Assets</u>	<u>Net Current</u> <u>Assets</u>	<u>Total</u>
Unrestricted funds	92,678	127,987	230,665
Restricted funds	441,388	182,309	623,697
	<u>534,066</u>	<u>320,296</u>	<u>854,362</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004 Cont'd

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11 SURPLUS/(DEFICIT) FOR YEAR

		<u>2004</u> £	<u>2003</u> £
The deficit of the company for the year is arrived at as follows:			
Citizens Theatre: Unrestricted General Fund	(10,220)		
Unrestricted Designated Special Fund	(18,485)		
Restricted Fund	<u>(55,224)</u>		
		(83,929)	(121,191)
Theatre About Glasgow: Unrestricted General Fund	(1,985)		
Unrestricted Designated Special Fund	4,923		
Restricted Fund	<u>(1,736)</u>		
		1,202	841
		<u>(82,727)</u>	<u>(120,350)</u>
		<u>2004</u>	<u>2003</u>
After charging:			
		£	£
Auditor's remuneration		2,500	2,450
Depreciation: of owned assets		154,669	183,020
		<u></u>	<u></u>
Operating lease rentals – equipment and vehicle		11,945	13,095
		<u></u>	<u></u>
Total employee emoluments		599,790	549,076
		<u></u>	<u></u>

No Director received any remuneration from the company during the year.

The average number of employees under a contract of service during the year was 27. The number of employees earning £50,000 or more were as follows £Nil (2003: £Nil)