

# **SCOTTISH BALLET**

**SCOTTISH BALLET**  
Company Limited by Guarantee

**Annual Report & Financial Statements**  
For the year ended 31 March 2018

**Company No: SC065497**  
**Charity No: SC008037**

## **SCOTTISH BALLET**

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## SCOTTISH BALLET

### Company Information

**Registered Office:** Tramway  
25 Albert Drive  
Glasgow  
G41 2PE

**Company Registration Number:** SC065497

**Charity Registration Number:** SC008037

**Website:** [www.scottishballet.co.uk](http://www.scottishballet.co.uk)

**Directors:** Norman Murray (Chair)  
Jacquelynn Crow (Vice Chair)  
Callum Meikle  
Rachel Gwyon  
Jann Brown  
Keith Ruddock  
Christopher Hampson (CEO and Artistic Director)  
Steven Roth (Executive Director)  
Anna Bateson (Appointed 15/05/17)  
Giles Hedger (Appointed 23/05/17)  
Theodorus Brandsen (Appointed 24/05/17)

**Secretary:** Joanna Millard (Resigned 17/11/17)  
Neil Maclver (Appointed 13/12/17)

**Bankers:** Royal Bank of Scotland  
Commercial Banking UK  
1 Moncrieff Street  
Paisley  
PA3 2AW

Virgin Money  
Savings Operations  
Jubilee House  
Gosforth  
Newcastle upon Tyne  
NE3 4PL

**Solicitors:** Dentons UK and Middle East LLP  
1 George Square  
Glasgow  
G2 1AL

Clyde & Co (Scotland) LLP  
144 West George Street  
Glasgow  
G2 2HG

**Auditor:** Scott-Moncrieff  
Chartered Accountants  
25 Bothwell Street  
Glasgow  
G2 6NL

## SCOTTISH BALLET

### Chair's Statement For the year ended 31 March 2018

#### Introduction

The arts help to define the values of a country and its people in times of prosperity, and perhaps even more so in times of challenge. The arts in general and Scottish Ballet in particular, provide a cultural framework for the widest possible audiences in terms of performances as well as access, education and engagement; making a tangible and transformational contribution to our society. These visual and physical experiences are designed to provide enjoyment and distraction as well as a sense of achievement and improvement, all of which define our mission.

As Scotland's national dance company, we embed our mission 'to inspire on stage and beyond' across everything we do – showcasing our nation's talent and creativity at home and abroad, and by bringing dance and all the benefits that our art form delivers to the widest possible audience. Scottish Ballet's award-winning performances are presented nationally (from our cities to our remote communities) throughout the UK and the world, promoting Scotland's diverse and pioneering spirit.

We are determined to play a leading role by ensuring that dance enriches the lives of people in Scotland and beyond. During 2017/18, Scottish Ballet engaged with a global audience of over 621,000 through performances, engagement activities, and via our digital channels. The Company's varied repertoire on stage is complemented by groundbreaking work in communities and online, including extensive dancer development initiatives, award-winning digital content and a sector-leading programme in dance for health.

We have now completed the first year of an ambitious five-year Strategic Plan, with its focus on maximising the opportunity of the 50<sup>th</sup> anniversary and building long term resilience as well as artistic excellence. Following a major research and branding project, the company has a newly-defined identity which has been embedded across all communications and is resonating well with audiences and stakeholders.

#### Artistic Programme

Scottish Ballet's vibrant 2017/18 programme included a world-first innovative Digital Season, an ambitious American tour including the Company's debut performance in New York City, followed closely with a second debut at the Royal Opera House, of Sir Kenneth MacMillan's *Le Baiser de la Fée*. Our London appearances also included performances at Sadler's Wells, presenting our highly-acclaimed 2016 Edinburgh International Festival double bill of *Emergence & MC14/22*. Having expanded to a company of 40 dancers, Scottish Ballet is continuing to build a strong reputation for artistic creativity and adventurous programming: presenting and commissioning new versions of the classics and modern dance works.

*'Throughout 2017, Scottish Ballet has shown itself to be a heavyweight on the international dance scene.'* The Scotsman

##### - **Dance International Glasgow**

For its second appearance at Dance International Glasgow, Scottish Ballet performed a World Premiere at the Tramway. *Each Other* was a co-commission with Tramway and was created by Ivgi & Greben, a Dutch and Israeli choreographic partnership that pushed Scottish Ballet into new realms of movement and theatre.

*'Each Other saw the dancers triumph in a profoundly challenging choreography that needs to be seen again after this world premiere.'* The Herald

##### - **Highland Fling**

Performed in Minneapolis in April 2017, Matthew Bourne's *Highland Fling* is a reimagining of *La Sylphide* for the 'Trainspotting generation'. Since being awarded the rights to perform Bourne's signature production, this captivating gothic fairy tale has become a defining work in Scottish Ballet's repertoire.

*'What fun to watch the gritty, tartan-filled tragedy unfold.'* Minneapolis Post

## SCOTTISH BALLET

### Chair's Statement

For the year ended 31 March 2018

### Artistic Programme (continued)

#### - *Sinfonietta Giocosa, Motion of Displacement & Ten Poems*

For the Company's New York debut, CEO/Artistic Director Christopher Hampson, focused on Scottish Ballet's versatile and expressive dancers, selecting works that all have a connection to the USA. Hampson's *Sinfonietta Giocosa* was originally created for Atlanta Ballet (2005) and was greatly inspired by the energy and attack of the American classical technique.

New York native, Bryan Arias, created *Motion of Displacement* for Scottish Ballet in 2015. He delivered a contemporary exploration and response to his own mother's journey from her native land to America. Arias' work used the dancers' bodies to show the time elapsing and the humanity of support in the form of linking and breaking of chains of movements.

The final work, *Ten Poems*, had three distinctive voices: Christopher Bruce's unique choreographic language coupled with Richard Burton's impassioned reading of Dylan Thomas' poetry, focusing on humanity, loss, war and peace. Both Burton and Thomas have strong and well-documented connections to New York.

*Motion of Displacement* was created with the support of a Rudolf Nureyev Prize for New Dance awarded by The Joyce Theater with major funding from the Rudolf Nureyev Dance Foundation. Scottish Ballet also acknowledges Sir Sandy and Lady Crombie and The Binks Trust for their support of this work.

*'Each dance on this triple bill is so strikingly unlike the others that the program neatly demonstrates different directions for dance theater.'* The New York Times

#### - *A Streetcar Named Desire*

Scottish Ballet premiered its multi award-winning production of *A Streetcar Named Desire* in California, in May 2017. Marking the 70th anniversary year of Tennessee Williams' Pulitzer Prize-winning play, our production by Annabelle Lopez Ochoa and Nancy Meckler was presented at The Music Center in Los Angeles and the Berkeley Theater, University of California.

*'a powerful and emotional ballet... Scottish Ballet's A Streetcar Named Desire is a one-of-a-kind take on an American classic.'* DTLA magazine

#### - *Emergence & MC 14/22 (Ceci est mon corps)*

This electrifying double bill of two radically different, but equally powerful works – *Emergence* by Crystal Pite and *MC 14/22 (Ceci est mon corps)* by Angelin Preljocaj – was first performed to great critical acclaim, at the Edinburgh International Festival in August 2016. We were thrilled to be invited to present this programme again at London's Sadler's Wells in June 2017.

*'... Christopher Hampson has given the company a modern thrust that emphasises the strength of the ensemble as a whole, and this was certainly evident in their recent programme at Sadler's Wells.'* The Sunday Times

#### - *Stravinsky*

Scottish Ballet marked the 25th anniversary of the death of Scottish-born choreographer Sir Kenneth MacMillan with a revival of his early narrative work *Le Baiser de la Fée*. Using Stravinsky's score (itself a homage to Tchaikovsky) MacMillan reveals the darker depths of Hans Christian Andersen's fairy tale *The Ice Maiden*. This haunting, classical fairy tale formed part of a celebration of MacMillan's work at the Royal Opera House, in October 2017. In our debut performance at Covent Garden, Scottish Ballet performed as one of the UK's five national ballet companies.

## SCOTTISH BALLET

### Chair's Statement

For the year ended 31 March 2018

### Artistic Programme (continued)

Paired with *Le Baiser de la Fée* (for the autumn tour of Scotland) and in complete musical contrast, was Stravinsky's *The Rite of Spring*. Christopher Hampson's choreography juxtaposes unity and disunity, darkness and light, to convey a riveting, contemporary story of two brothers destined for different paths to enlightenment.

*Le Baiser de la Fée* was revived with the generous support of The Linbury Trust and Check It Scaffolding.

*'... a double bill that confirmed Scottish Ballet's status as a forward-looking company with strengths nonetheless grounded in the classics.'* The Herald

#### - *The Nutcracker*

Christmas 2017 saw the return of Scottish Ballet's revered production of Peter Darrell's *The Nutcracker*. This festive favourite was revived in 2014 after an absence from the repertoire of almost twenty years. Presented in 2017/18 in the company's fresh new brand, audiences flocked to see it once again, over forty years since it first premiered, leading to record-breaking sales.

*'Scottish Ballet's Nutcracker is a real gift ... with a little something for everyone: variety, sweetness, dazzle, and, everything unwrapped, it's a wonderful showcase of the state of our nation's dance talent.'*  
All Edinburgh Theatre

#### - *Digital Season*

During 2017/18, we continued to demonstrate Scottish Ballet's capacity to lead the sector. Our inaugural Digital Season *Under the Skin*, launched in spring 2017, explored new ways to present dance and featured a series of pioneering projects which reached 3.2 million viewers worldwide. It marked the first time a ballet company has curated a month-long programme of bespoke projects created exclusively for presentation on digital platforms. More than 3.5 hours of new content was produced, including live streams and a ground-breaking 360-degree dance video.

The Digital Season has been generously supported over three years by The John Ellerman Foundation.

### Tours and audiences

In 2017/2018, Scottish Ballet performed 88 times within Scotland, the rest of the UK and internationally. Our total audience was almost 100,000 and our associated net box office revenue was in excess of £2.2million.

	Number of performances	Audiences
Scotland	61	71,250
Rest of UK	12	15,375
International	15	12,388
<b>Total</b>	<b>88</b>	<b>99,013</b>

The year started with acclaim from American audiences experiencing the Company's work for the first time and demonstrating clear demand for future US touring. This was followed by an equally strong reception in London, with enthusiastic responses on social media for the contemporary double bill at Sadler's Wells.

*'Terrific evening @scottishballet: powerful, unsettling, visually stimulating, superbly danced double bill.'* – Audience feedback

## SCOTTISH BALLET

### Chair's Statement

For the year ended 31 March 2018

### Tours and audiences (continued)

The Stravinsky double bill was highly acclaimed in Scotland, in London and through its broadcasts online.

*'A fantastic evening. A real treat to see these ballets performed with a live orchestra. So much attention to detail and finish. Sets and costume superb. Enjoyed too the 2 contrasting styles of choreography.'* Audience feedback

The year finished with our most successful-ever winter tour, with *The Nutcracker*, achieving over 80% of financial and audience capacity for the first time. The tour totalled nine weeks with 55 performances, including an inclusive 'relaxed' performance (for people with a range of sensory needs). More than 68,000 people attended across Scotland and in Newcastle.

*'This was the very first ballet I have seen... It blew me away, a couple of times through the performance it actually gave me goose bumps, in a good way. I was so 'in' the show I couldn't believe when it ended. This will be a memory I will never forget and I look forward to my next ballet.'* Audience feedback

Following the new branding and communication initiatives, we are now seeing a gradual increase in repeat attendance within Scotland, showing a growing loyalty to the brand and appreciation of our creative output. Repeat bookers in the 2016-18 period have risen to 34% compared to 28% in the previous two years. In real numbers, both first-time and repeat audiences are growing steadily.

Crucial for our long-term audience development, the number of children (under 16) and young people (between 16 and 26 years old) attending our Autumn and Winter tours in Scotland grew by 26% and 23% respectively. The aggregated youth demographic of our Scottish audience in 17/18 was: 15% children and 5% young people (16 to 26 years old).

### Digital

Driven by the success of the Digital Season, Scottish Ballet's social media followers increased by 22% to over 76k in 2017/18. Videos hosted on the Scottish Ballet YouTube and Facebook channels received over 2.3 million views, an increase of almost 50% on the previous year.

Having launched a new website in June 2017, in line with the updated brand and editorial style, website traffic and conversions have continued to grow. In 17/18, Scottish Ballet's website visits increased by 32% compared with the previous year and received over 365k visits.

In another first for the company, a performance of the *Stravinsky* double bill was captured live in a project co-funded by The Space and in partnership with the BBC. The broadcast was made available on BBC iPlayer as well as through online distribution partners and the Scottish Ballet Facebook page. To date, *The Fairy's Kiss* and *The Rite of Spring* have had over 500k views in total.

### Engagement

Our vision for engagement is to provide life-enriching experiences which unlock the repertoire of Scottish Ballet through high-level partnerships, and ground-breaking projects; challenging and exciting our participants. During 2017/18, we exceeded targets with 30,303 participations recorded at classes, workshops and events across Scotland and internationally, with participants aged from 3 to 84 years.

Scottish Ballet continued to present our community class and practical workshop programmes, alongside a range of access and interpretation activities including touch tours and audio described performances for those with visual impairments, as well as pre-and post-show talks and insight events for the general public across our touring network.

## SCOTTISH BALLET

### Chair's Statement

For the year ended 31 March 2018

### Engagement (continued)

In October, we launched a new three-year (2017-2020) dementia programme, funded by Life Changes Trust, connecting with cities Scottish Ballet has a strong connection with, such as Glasgow, Edinburgh, Aberdeen, Dundee and Inverness. Through a national programme of dementia-friendly activity we aim to unite, strengthen and support a currently disparate assortment of dance for dementia offerings into one national network of dementia-friendly dance in Scotland. Linked to our regular touring programme, we will provide people affected by dementia with an opportunity to participate in a dance class, watch a Scottish Ballet performance (or rehearsal), view costumes up close and to engage with our dancers.

*'Really enjoyed Time to Dance...different to what I expected...I found doing a story based on dance, fascinating...looking forwards to the next fun and games.'*

Time to Dance Glasgow class participant

We will support a Scotland-wide network of dance education professionals by sharing our model, offering dementia-friendly dance events in communities while on tour, by having a presence at creative festivals such as Luminare and by providing regional training opportunities for dance education professionals and our partners. During the final phase of the project, Scottish Ballet plans to integrate its dementia-friendly activities with the wider community.

Scottish Ballet is uniquely positioned to deliver this project and it will be a natural progression for the Company. Our experienced Engagement team will build on its knowledge of delivering a highly successful Dance for Parkinson's Scotland (DPS) programme and Regenerate classes for people aged 60+.

*'I just want to say how much I have enjoyed the first two classes I attended recently. I didn't know what to expect but was pleasantly surprised by how relaxed and informal the classes were.'*

DPS Glasgow class participant.

*'Regenerate is a most enjoyable class and the teachers are marvellous and patient.' 'This has been a wonderful term yet again. We laugh and have fun and also learn to dance and improve our ballet technique. The best of both worlds. You just don't feel the pain when you're having so much fun!'*

Regenerate participants

In 2018, we were delighted to have been awarded £40,000 across two years, from the R S Macdonald Charitable Trust, to deliver a pilot programme developing dance classes for those living with Multiple Sclerosis. The programme will be created in partnership with Julia Langley, Director of Arts and Humanities at Georgetown University Medical Centre, Washington DC and Dr Bethany Whiteside based at the Royal Conservatoire of Scotland.

We continue to deliver our successful Dancers' Education Group (DEG) programme. This year we have been working with ten of our Company dancers across three different levels of progression. Through DEG we have been able to empower our skilled professional dancers on their journey to become dance educators, helping make professional ballet as widely accessible as possible and bringing the beauty of dance to people of all ages and abilities across Scotland and abroad.

DEG dancers have the opportunity to learn to teach through the support of skilled educators and mentors, to relish the enjoyment and responsibility that comes with such a role, and to gain an increased understanding of the place of dance within education and recreation. All dancers involved successfully studied for the accredited module, 'Fundamentals of Ballet Teaching' offered in partnership with the Royal Conservatoire of Scotland. Dancers explained the importance of being able to work with a wide variety of groups to discover their own personal teaching interest, and appreciate the highly individualised and tailored nature of DEG.

## SCOTTISH BALLET

**Chair's Statement**  
**For the year ended 31 March 2018**

### **Engagement (continued)**

We also continue to build productive partnerships, developing our programmes at home and abroad. The Director of Engagement, Catherine Cassidy, attended a British Council study tour to Japan funded by The British Council and The Baring Foundation. Along with four other UK delegates, each championing creative programmes for elders in contrasting art forms, she spoke at conferences in Tokyo and Kyoto about the impact of dance on senior community participants and those living with Parkinson's and dementia. Catherine also joined a Ministerial Delegation to China organised by the British Council to support the First Minister, Nicola Sturgeon. The trip provided a wide range of opportunities to build cultural partnership with organisations in Shanghai and Beijing and included attendance at several Ministerial events designed to promote Scottish culture.

### **Education**

For Scottish Ballet's Associate Programme, the 2017/18 academic year has been highly successful across all levels. With the ultimate aim of training students to attain places in vocational schools, the programme has achieved excellent results, with Associates being offered full-time places at the UK's leading schools, including: The Royal Ballet School, Royal Conservatoire of Scotland, Elmhurst Ballet School, Tring Park School, Central School of Ballet, the Dance School of Scotland, Northern Ballet School, Laine Theatre Arts, London Studio Centre, Bird College and Rambert School.

Within our Music Department we continue to deliver the Masters course Piano for Dance, run in conjunction with the Royal Conservatoire of Scotland. The course began in 2006 and almost all the graduating students have gone on to work within the professional dance community with placements at Queensland Ballet, National Ballet of Canada, Royal Conservatoire of Scotland Modern Ballet Course and Ballet West as well as positions in Germany and Serbia. With increasing international interest in playing the Piano for Dance, over the last year we have had students from the Czech Republic and Latvia and in 2018-19, when for the first time we anticipate having four students, we will have our first American participant. International interest in the course continues to grow, with recent applications from China and Singapore.

### **Awards**

At the 2017 UK Theatre Awards, Scottish Ballet won the Achievement in Dance award for the European premiere of Crystal Pite's *Emergence*. The Company was also nominated for several Critic's Circle Awards, including Crystal Pite's *Emergence* for Best Classical Choreography; Sophie Martin, Bethany Kinsley-Garner and Christopher Harrison for individual dance performances; and the Outstanding Company award.

The inaugural Digital Season won The UK Theatre Award for Achievement in Marketing/Audience Development. And at the 2018 Marketing Society Star Awards, it also won the Chairman's Award for Small-to-Medium Enterprises, for Digital Strategy.

Scottish Ballet was nominated in three award categories at the 2018 Sunday Herald Culture Awards: Constance Devernay (Best Dance Performer for *The Fairy's Kiss*), the Technical Department (Behind the Scenes Award for the 2018 Highlands & Islands tour of *Highland Fling*), and received a commendation for Gary Harris (Designer Award for *The Fairy's Kiss*).

### **Current and Future Plans**

Scottish Ballet's 2018/19 season began with a sold-out Highlands and Islands tour of Matthew Bourne's *Highland Fling*. Eager and enthusiastic audiences greeted the company in several remote island communities, as we presented a ground-breaking, full-scale production for the first time.

## SCOTTISH BALLET

**Chair's Statement**  
**For the year ended 31 March 2018**

### **Current and Future Plans (continued)**

This year will see the public launch of our exciting 50<sup>th</sup> anniversary season, including three world premieres and the second *Digital Season*. The season launch will be accompanied by the Company's first major brand campaign – asking the people of Scotland 'How can we thank you?' for 50 years of shaping our identity as Scotland's national dance company. 2018/19 will also see our emerging dance health programmes expanding through research and pilot activities focusing on dementia, Parkinson's and Multiple Sclerosis. The year will conclude with the return of Christopher Hampson's glittering production of *Cinderella* for our winter tour.

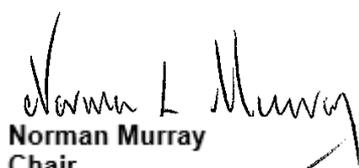
### **Thanks and Appreciation**

On behalf of the Board, I would like to extend my sincere thanks and acknowledge the hardworking and highly-motivated creative, administrative and technical teams at Scottish Ballet, who collectively play a significant role towards our success, strongly led by Christopher Hampson, CEO/Artistic Director and Executive Director, Steven Roth. The level of commitment and dedication of everyone in the Company is a key factor in our success both on stage... *and beyond*.

I would also like to thank my fellow Board Members whose dedication and experience ensure we provide high level governance, and both challenge and support the executive leadership. The significant time and expertise given by Board Members in the exercise of their duties and responsibilities is acknowledged. Following a number of board retirements in 2016/17, we welcomed onto the Board from London, Anna Bateman and Giles Hedger, and from Dutch National Ballet, Ted Brandsen and appreciate their valuable contribution.

Beyond our teams and directors are our loyal and generous corporate sponsors, donors and Friends. All of you show your commitment and enthusiasm for Scottish Ballet through grants, gifts and sponsorships that support our work on stage and throughout our communities. You are a vital and valued part of our Scottish Ballet family.

Finally, the Company could not meet its cultural objectives without the strong support of the Scottish Government. In particular, the arts and culture leadership team continues to play a vital role in the Company's successful delivery of its cultural and financial objectives, through high-level advocacy and counsel. Cabinet Secretary, Fiona Hyslop, and the Scottish Government are commended for their financial commitment that ensures Scottish Ballet's presence and performances are well respected nationally and internationally.

  
**Norman Murray**  
**Chair**  
**12 September 2018**

## **SCOTTISH BALLET**

### **Report of the Directors (incorporating the Strategic Report) For the year ended 31 March 2018**

The directors present their report with the audited financial statements of the Company for the year ended 31 March 2018.

#### **Principal activities and business review**

The principal activity is to produce and present ballets throughout the world and to assist educational development in Scotland through the provision of dance in education and vocational dance training.

#### **Aim, objectives and delivery**

Scottish Ballet produces world-class dance and learning opportunities designed to engage and excite diverse audiences.

By presenting new and modern work, alongside unique interpretations of the classics that make them relevant to audiences today, the Company strives to provide a focus and inspiration for dance in Scotland.

Scottish Ballet presents a wide range of high-quality dance to audiences across Scotland, other parts of the UK and abroad, with strong classical technique at the root of all its work. The Company presents a broad repertoire, ranging from new versions of the classics through to seminal pieces from 20<sup>th</sup> century modern ballet repertoire, and extending into signature pieces by living choreographers and new commissions.

Scottish Ballet seeks to realise its Artistic Vision by means of the following key objectives which are included within the Company's strategic plan:

- Bringing performances of classical, modern and new work, on a variety of scales, to the widest possible audience throughout Scotland and beyond.
- Commissioning new work and bringing this to the Company's diverse audiences.
- Nurturing and developing dancers and staff through an effective training and development strategy.
- Developing choreographic talent of the future through innovative workshops.
- Providing a wide range of educational and training opportunities, particularly for children and young people but also other members of the community.
- Providing support to the wider dance community in Scotland through advocacy and sharing expertise and facilities.
- Offering access to dance for all communities and to people from all backgrounds throughout Scotland.
- Acting as an ambassador for Scotland elsewhere in the UK and abroad.

#### ***Strategic Report***

##### ***Achievements and performance***

The Chair's Statement provides a full summary of the Company's achievements and performance during the year.

##### ***External responsibilities***

Scottish Ballet is supported by public funds. These, in the main, were from the Scottish Government in 2017/18. Additional funds were received from Arts Council England, The Space and a number of Trusts and Foundations. During the course of the financial year, the Scottish Government was entitled to send observers to Scottish Ballet Board meetings and regular financial information was provided as a condition of these grants.

## **SCOTTISH BALLET**

### **Report of the Directors (incorporating the Strategic Report) For the year ended 31 March 2018**

#### **Results**

The trading results for the year and the Company's financial position at the end of the year are shown in the attached financial statements.

#### **Financial review**

The outturn for the year after Theatre Tax Relief (TTR) of £252,104 (2017: £366,174) was a surplus of £367,835 (2017: £4,334,105 deficit).

Following the recognition of the charge to allow Scottish Ballet to discharge its liabilities in full from the PSATSA defined benefit pension scheme in 2016/17, net income has returned to a surplus position.

Touring patterns this year resulted in a decrease in the number of shows compared with last year. However these productions performed strongly at the box office. The surplus in net income is a result of this strong Touring, Production and fundraising performance and effective control of production and administration expenditure.

To account for the uncertainty in relation to the environment that Scottish Ballet operate in and in relation to our Tramway premises (see note 27), the directors have agreed to set aside funds for building refurbishment and to mark our 50<sup>th</sup> Anniversary year, in addition to our commitment to enhancing both the Scottish Ballet brand and our digital footprint. A further £220,000 of general funds were designated in respect of these liabilities, leaving an increase in the general fund carried forward of £372,863 (2017: decrease of £3,340,810) and giving an accumulated unrestricted general fund of £2,398,969 deficit, from a deficit of £2,771,832 in 2016/17.

This deficit is fully explained in note 30 of Notes to the Financial Statements. It is a direct consequence of crystallising the long term liability to the Pension Scheme in 2016/17. £4,000,000 of the funding needed to settle that liability came from a loan from Scottish Government, which is now in its second year and will be repaid over 25 years, funded in the main by future surpluses.

The long tenor of the loan (25 years) gives the directors comfort that there is no adverse impact on the company's ability to operate in the future or to pay its liabilities as they fall due.

#### **Risk management**

The Directors have implemented a risk management strategy which comprises:

- A full business risk assessment, monitored by the Audit and Risk Committee and reviewed by the Board annually.
- The establishment of systems and procedures to mitigate and monitor those risks identified in the plan.

#### **Principal risks and uncertainties**

The Company's risk register identifies the following principal risks:

- Scottish Government future funding uncertainty.
- Failure to meet self-generated income (fundraising) targets, impacting on artistic programme requirements.
- Financial and operating risks associated with the transition to an expanded management team and to new organisational structures and responsibilities.

## SCOTTISH BALLET

### Report of the Directors (incorporating the Strategic Report) For the year ended 31 March 2018

#### *Principal risks and uncertainties (continued)*

Through our relationship with the Scottish Government, Scottish Ballet is closely involved in discussions with regard to future funding commitments to allow us to develop artistic strategy and make production commitments against an informed funding position. While the government funding position for the future is uncertain, the Company has a robust budgeting [and forecasting] process and strong cost control.

We have taken steps in the year to revise and refocus the commercial and fundraising functions and to develop wider Company and Board involvement with our supporters and donors across multiple platforms with the objective of increasing income and engagement with them.

The Company continues to review the organisational structures and responsibilities within Scottish Ballet and has developed a broader Senior Management Team to augment the leadership and management within Scottish Ballet.

#### *Reserves policy*

Scottish Ballet recognises the need for sufficient free reserves in order to manage risk and to realise opportunities that may arise from time to time.

Scottish Ballet holds reserves of £8,478,714 (notes 28-30) which includes a designated Tramway capital reserve of £9,413,701 against which the annual depreciation of the building is charged. Other restricted and designated reserves total £1,463,982.

The negative balance on the unrestricted reserve reflects £1,450,424 of accumulated general retained surplus funds less an amount of £3,849,393, equivalent to the balance outstanding on the loan from the Scottish Government which was advanced to the Company in March 2017 to enable it to discharge its pension fund liabilities in full. As this loan is repaid each year, the deduction from the general unrestricted reserve will decrease by the same amount.

A pensions loan reserve of £901,522 was established to support the repayment of the loan in future years. The outstanding loan will be repaid over a period of 25 years using future surpluses and, when required, the Pensions Loan Reserve. Repayments will be made in a way that ensures that sufficient resources are retained to allow Scottish Ballet to manage its risk exposure and to fulfil its aims and objectives.

The Directors have undertaken to provide for the future security and development of the company by establishing reserves supported with cash backing, for both future operations and to support repayment of the outstanding loan. Of the total cash balance of £2,660,302, £1,251,555 is attributable to designated reserves, £212,427 to restricted reserves and £1,196,320 to unrestricted reserves (note 31).

The Board believes that the existence of reserves is a requirement of good resource management. In general, reserves are held:

- To fund working capital
- To fund unexpected or unplanned expenditure
- To fund shortfalls in income, when income does not reach expected levels
- To underpin long-term commitments
- To allow for the development of new activity

## **SCOTTISH BALLET**

### **Report of the Directors (incorporating the Strategic Report) For the year ended 31 March 2018**

#### ***Reserves policy (continued)***

In agreeing the level of reserves, the Board considers current and future income and expenditure, the risks that the organisation faces and consideration of future needs and opportunities.

The Board annually reviews and prioritises the amount of free reserves to ensure that they are sufficient to manage the business.

#### **Funding**

The directors are satisfied that the Company's cash resources are adequate to fulfil its obligations.

#### **Plans for future periods**

The Chair's Statement provides a flavour of the Company's plans for 2018/19.

#### **Scottish Ballet's structure, governance and management**

Scottish Ballet is a private company limited by guarantee and not having a share capital, with registration number SC065497. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC008037.

Scottish Ballet has Memorandum and Articles of Association which establish the objects and powers of the charitable company and is governed under its Articles of Association of 25 February 2011.

#### **Directors and Trustees**

The directors of the charitable company ("the Company") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the directors.

The number of directors shall not be less than five or more than seventeen. On 23 May 2007 the Company's Articles of Association were amended by special resolution so that only directors were eligible to become members of the Company.

The Board of Directors seeks to ensure that its members possess the range of interest and skills relevant to the objectives of the Company.

#### **Appointment of directors**

As set out in the Articles of Association, new directors are elected at the AGM and may serve two (three year) terms. A third term may be served in exceptional circumstances. If the directors require an individual to fill a vacancy between AGMs, that person must be formally elected at the next AGM. The directors select both the Chair and Vice Chair.

#### **Director induction and training**

New directors are briefed on their legal obligations under charity and company law, best practice for governance, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and the financial performance of the Company. Directors meet with the Chair to discuss their development and training needs.

## SCOTTISH BALLET

### Report of the Directors (incorporating the Strategic Report) For the year ended 31 March 2018

#### Organisation

The Board met four times in the year. It receives regular reports from the senior management team regarding the day-to-day financial and artistic business. The Board is supported by a number of committees. These are:

**i) *Finance and Operations Committee***  
***(previously Operations, Finance and Services Committee)***

This comprises four non-executive directors and the Executive Director as at 31 March 2018 and is chaired by Callum Meikle. This committee meets at least four times per year and reviews the following areas: Finance; Human Resources; Pensions; Health & Safety; Information Technology and Facilities Management.

**ii) *Nomination and Remuneration***

This comprises three non-executive directors and is chaired by Jacquelynn Craw. This Committee meets at least twice per year and reviews the following areas: nominations of Board members; appointments of senior staff; and determines remuneration of senior staff including key management personnel. Remuneration is set using benchmarks of similar posts in the sector and current market forces.

**iii) *Audit & Risk Committee***

This Committee comprises three non-executive directors and is chaired by Jann Brown who has recent and relevant financial experience. The Chair of the Board, the Chief Executive of the Company and the Executive Director attend by invitation, but are not members. It meets at least twice per annum.

The Committee is responsible for monitoring the Company's risk management process and reviews their effectiveness. The Committee also reviews the planning and conduct of the external audit and has considered all major items arising from that process in relation to the preparation of the Company's financial statements. The Committee provides the Board with advice whether the Annual Report, taken as a whole, is fair, balanced and understandable.

As it does each year, the Committee has reviewed the effectiveness of the external audit process giving consideration to the quality and independence of the external auditor, Scott-Moncrieff, as well as to their communications to the Audit & Risk Committee. There were no issues of significance brought to the Committee's attention by the external auditor.

#### Reference and administrative details

In accordance with the Memorandum and Articles of Scottish Ballet, the Board has overall responsibility for the management of the resources of the company and ensuring its financial wellbeing.

Details of the directors, secretary, registered office, bankers, solicitors and external auditor are on the Company Information page of these financial statements.

#### Directors' responsibilities in relation to the financial statements

The directors are responsible for preparing the Directors' Report (incorporating the Strategic Report) and the financial statements in accordance with applicable law and regulations.

## SCOTTISH BALLET

### Report of the Directors (incorporating the Strategic Report) For the year ended 31 March 2018

#### Directors' responsibilities in relation to the financial statements (continued)

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the income and expenditure of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principals in the Charities SORP (FRS102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

The directors are also responsible for ensuring that the assets are properly applied in accordance with charity law.

The Directors consider that the Annual Report and Financial Statements is fair, balanced and understandable and provides the information necessary for users to assess the organisation's performance, business model and strategy.

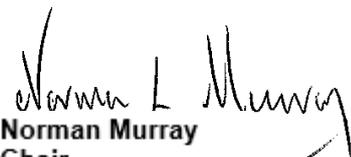
#### Disclosure of information to the auditor

As far as the directors at the time the report is approved are aware:

- a) there is no relevant information of which the Company's auditor is unaware; and
- b) the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

The Directors' Report, incorporating the Strategic Report, has been approved by the Board.

On behalf of the Board

  
**Norman Murray**  
Chair  
12 September 2018

## **SCOTTISH BALLET**

### **Independent Auditor's Report to the Members and Directors of Scottish Ballet For the year ended 31 March 2018**

#### **Opinion**

We have audited the financial statements of Scottish Ballet (the charitable company) for the year ended 31 March 2018 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Cash flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **SCOTTISH BALLET**

### **Independent Auditor's Report to the Members and Directors of Scottish Ballet For the year ended 31 March 2018**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors (incorporating the Strategic Report) which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors (incorporating the Strategic Report) included within the Annual Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Chair's Statement and in the Report of the Directors (incorporating the Strategic Report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of the directors**

As explained more fully in the directors' responsibilities statement set out on pages 13 and 14, the directors (who are the directors for the purposes of company law and trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## SCOTTISH BALLET

### Independent Auditor's Report to the Members and Directors of Scottish Ballet For the year ended 31 March 2018

#### Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's directors, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charitable company's members, as a body, and the charitable company's directors, as a body, 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 charitable company, the charitable company's members, as a body, and the charitable company's directors, as a body, for our audit work, for this report, or for the opinions we have formed.



**Gillian Donald, Senior Statutory Auditor**

**For and on behalf of**

**Scott-Moncrieff, Statutory Auditor**

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Chartered Accountants

25 Bothwell Street

Glasgow

G2 6NL

**12 September 2018**

## SCOTTISH BALLET

### Statement of Financial Activities (including Income and Expenditure Account) For the year ended 31 March 2018

	Note	Unrestricted funds General £	Designated £	Restricted funds £	2018 Total £	2017 Total £
<b>Income and endowments</b>						
Grants, donations and legacies	5	4,519,173	-	441,839	4,961,012	4,869,898
Charitable activities	6	2,346,104	-	292,841	2,638,945	2,704,694
Income from other trading activities	7	122,460	-	129,745	252,205	302,496
Investments		4,543	-	-	4,543	8,761
Other income	8	-	-	-	-	24,414
<b>Total income and endowments</b>		<b>6,992,280</b>	<b>-</b>	<b>864,425</b>	<b>7,856,705</b>	<b>7,910,263</b>
<b>Expenditure</b>						
Raising funds	9	(366,798)	-	(35,302)	(402,100)	(382,816)
Charitable activities	10	(6,493,518)	(100,000)	(745,356)	(7,338,874)	(12,227,726)
<b>Total expenditure</b>		<b>(6,860,316)</b>	<b>(100,000)</b>	<b>(780,658)</b>	<b>(7,740,974)</b>	<b>(12,610,542)</b>
<b>Net income/(expenditure) before theatre tax relief and transfers</b>		<b>131,964</b>	<b>(100,000)</b>	<b>83,767</b>	<b>115,731</b>	<b>(4,700,279)</b>
Theatre tax relief		252,104	-	-	252,104	366,174
<b>Net income/(expenditure)</b>		<b>384,068</b>	<b>(100,000)</b>	<b>83,767</b>	<b>367,835</b>	<b>(4,334,105)</b>
Transfers between funds	28, 29,3 0	(11,205)	92,524	(81,319)	-	-
<b>Net movement in funds</b>	13	<b>372,863</b>	<b>(7,476)</b>	<b>2,448</b>	<b>367,835</b>	<b>(4,334,105)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward	28, 29,30	(2,771,832)	10,672,732	209,979	8,110,879	12,444,984
<b>Total funds carried forward</b>	28, 29,3 0	<b>(2,398,969)</b>	<b>10,665,256</b>	<b>212,427</b>	<b>8,478,714</b>	<b>8,110,879</b>

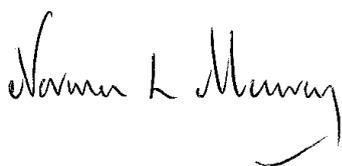
All of the activities of the company are classed as continuing.

## SCOTTISH BALLET

### Balance Sheet As at 31 March 2018

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	17	9,573,802	9,750,280
<b>Current assets</b>			
Stocks		32,339	36,740
Debtors	18	737,967	758,934
Cash at bank	19	2,660,302	2,092,321
		<u>3,430,608</u>	<u>2,887,995</u>
<b>Current liabilities:</b> Amounts falling due within one year			
Creditors	20	(827,663)	(678,003)
		<u>2,602,945</u>	<u>2,209,992</u>
<b>Net current assets</b>			
<b>Creditors :</b> Amounts falling due after more than one year			
Creditors	21	(3,698,033)	(3,849,393)
		<u>8,478,714</u>	<u>8,110,879</u>
<b>Net assets</b>			
<b>Reserves</b>			
Restricted funds	28	212,427	209,979
Designated funds	29	10,665,256	10,672,732
Income and expenditure account	30	(2,398,969)	(2,771,832)
		<u>8,478,714</u>	<u>8,110,879</u>

The financial statements were authorised for approval by the directors on 12 September 2018 and are signed on their behalf by:



Norman Murray  
Chair

Company No: SC065497

The notes on pages 21 to 35 form part of these financial statements

## SCOTTISH BALLET

### Cash Flow Statement For the year ended 31 March 2018

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash generated from/(used in) operating activities	32	875,676	(5,105,828)
<b>Cash flows from investing activities</b>			
Interest receivable		4,543	8,761
Proceeds from sale of fixed assets		-	3,150
Payment to acquire tangible fixed assets		(141,631)	(37,372)
<b>Net cash used in investing activities</b>		<u>(137,088)</u>	<u>(25,461)</u>
<b>Cash flows from financing activities</b>			
Loan from Scottish Government		-	4,000,000
Repayment of loan		(150,607)	-
Interest paid		(20,000)	-
<b>Net cash (used in)/generated from financing activities</b>		<u>(170,607)</u>	<u>4,000,000</u>
<b>Increase/(decrease) in cash in the year</b>		<u>567,981</u>	<u>(1,131,289)</u>
Cash and cash equivalents at 1 April	19	<u>2,092,321</u>	<u>3,223,610</u>
<b>Cash and cash equivalents at 31 March</b>	19	<u><u>2,660,302</u></u>	<u><u>2,092,321</u></u>

The notes on pages 21 to 35 form part of these financial statements

## **SCOTTISH BALLET**

### **Notes to the Financial Statements For the year ended 31 March 2018**

#### **1. General information**

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charity's transactions are denominated. They comprise the financial statements of the charity.

The principal activity of Scottish Ballet is to produce and present throughout the world and to assist educational development in Scotland through the provision of dance in education and vocational dance training.

Scottish Ballet is a private company limited by guarantee incorporated in the United Kingdom and registered in Scotland. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC008037. In the event of the winding up of the company a member is liable to contribute a sum not exceeding £1. Details of the registered office and company registration number can be found on the company information page of these financial statements.

#### **2. Statement of compliance**

The financial statements are prepared in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)" the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **3. Principal Accounting Policies**

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented, in dealing with items which are considered material in relation to the charity's financial statements unless otherwise stated.

##### **Basis of accounting**

The financial statements are prepared under the historical cost convention.

Scottish Ballet meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires directors to exercise their judgement in the process of applying the accounting policies (see note 4).

##### **Going concern**

The financial statements have been prepared on a going concern basis. The validity of the going concern basis depends on the ability of the company to operate within available funding.

The company relies substantially upon funding by public grants and donations from other sources for its current and future commitments.

The directors are satisfied that the company can meet its liabilities as they fall due for the foreseeable future, and on this basis consider it appropriate to prepare the financial statements on a going concern basis.

## SCOTTISH BALLET

### Notes to the Financial Statements For the year ended 31 March 2018

#### 3. Principal Accounting Policies (continued)

##### Income recognition

All income is included in the Statement of Financial Activities when the company is entitled to the income, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

- Grants, donations and legacy income is received by way of grants, donations, legacies, sponsorship and gifts and is included in full in the Statement of Financial Activities when the charity becomes entitled to the funds, it is probable that the income will be received and the amount can be measured reliably.
- Income from charitable activities is accounted for when earned and includes box office income.
- Investment income is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

##### Government grants

Government grants are recognised when the charity is entitled to the grant, it is probable that the income will be received and the amount can be measured reliably.

##### Gifts in kind

Gifts in kind are valued at appropriate market rates and are credited to the Statement of Financial Activities in the year in which they are received. Where the gift relates to operational expenditure, an equivalent expenditure is charged to the Statement of Financial Activities within the same year.

##### Expenditure recognition

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Raising funds costs comprise the costs associated with attracting voluntary income.
- Charitable expenditure comprises those costs incurred by the company in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- Support costs are allocated between the expenditure categories of the Statement of Financial Activities on a 'staff time and use of resources' basis.

##### Pensions Costs

###### Defined Benefit Scheme

Until 31 March 2017 the company participated in the Pension Scheme (the 'Scheme') for Administration and Technical Staff in the Arts. The Scheme is a multi-employer defined benefit scheme.

The Scheme was closed to future accrual on 14 December 2012. The company bought out their share of the Scheme on 31 March 2017 for £5.7m. At 31 March 2017 and 31 March 2018 Scottish Ballet had no pension liability outstanding in relation to this scheme.

###### Defined Contribution Scheme

The pension costs charged to the Statement of Financial Activities represent the amount of the contributions payable to the Scheme in respect of the accounting period.

##### Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All exchange differences arising are dealt with through the Statement of Financial Activities.

## SCOTTISH BALLET

### Notes to the Financial Statements For the year ended 31 March 2018

#### 3. Principal Accounting Policies (continued)

##### Taxation

The company is a charity and is recognised as such by HM Revenue and Customs for taxation purposes. As a result there is no liability to taxation on any of its income.

Theatre tax relief is credited to the Statement of Financial Activities based on productions undertaken in the year which meet the criteria for relief.

##### Tangible fixed assets

Individual fixed assets costing £1,000 or more, £500 or more for computer equipment, are capitalised at cost.

##### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset at the following rates:

Buildings	2%	straight line
Office adaptations, vehicles & equipment	20%	straight line
Computer equipment	25%	straight line
Musical instruments	10%	straight line

##### Stocks

Stock consists of merchandising items for sale and is stated at the lower of cost and net realisable value.

##### Financial instruments

The charity only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors and concessionary loans. Debt instruments are measured at amortised cost. Debt instruments that are payable or receivable within one year are measured, initially and subsequently, at the undiscounted amount of the cash expected to be paid or received. Concessionary loans are initially measured at the amount received, with the carrying amount adjusted in subsequent years to reflect the repayments, any accrued interest and impairment.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

##### Debtors

Short term debtors are measured at transaction price, less any impairment.

##### Expenditure in respect of future productions

Costs incurred prior to 31 March for performances taking place after that date, are carried forward only to the extent that these are recoverable through income from venues played and grants from the Scottish Government and other bodies.

##### Cash and cash equivalents

Cash at bank includes cash and short term highly liquid investments with a short maturity of twelve months or less from the date of acquisition or opening of the deposit or similar account.

##### Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at cost, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## SCOTTISH BALLET

### Notes to the Financial Statements For the year ended 31 March 2018

#### 3. Principal Accounting Policies (continued)

##### Fund accounting

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund.

Unrestricted funds are donations and other income sources received or generated in the furtherance of the general objectives of the company.

Designated funds are unrestricted funds, which have been earmarked for specific purposes by the directors.

##### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

#### 4. Judgements in applying policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied to the depreciation rates used which have been deemed to be appropriate for the class of asset.

#### 5. Grants, donations and legacies

	Unrestricted £	Restricted £	2018 £	2017 £
Scottish Government funding	4,369,000	67,800	4,436,800	4,369,000
Local Authorities	-	-	-	4,125
Donations	150,173	374,039	524,212	496,773
	<u>4,519,173</u>	<u>441,839</u>	<u>4,961,012</u>	<u>4,869,898</u>

#### 6. Charitable activities

Box office, touring and productions	2,225,241	292,841	2,518,082	2,527,342
Education	120,863	-	120,863	177,352
	<u>2,346,104</u>	<u>292,841</u>	<u>2,638,945</u>	<u>2,704,694</u>

#### 7. Income from other trading activities

Sponsorship	-	129,745	129,745	129,523
Other	122,460	-	122,460	172,973
	<u>122,460</u>	<u>129,745</u>	<u>252,205</u>	<u>302,496</u>

## SCOTTISH BALLET

### Notes to the Financial Statements For the year ended 31 March 2018

#### 8. Other income

	Unrestricted £	Restricted £	2018 £	2017 £
Gain on disposal of fixed assets	-	-	-	3,150
Gain on exchange	-	-	-	21,264
	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,414</u>

#### 9. Expenditure on raising funds

Development resources	291,838	35,302	327,140	317,421
Cost of goods	74,960	-	74,960	65,395
	<u>366,798</u>	<u>35,302</u>	<u>402,100</u>	<u>382,816</u>

#### 10. Charitable activities

Box office, touring and productions	5,439,879	603,466	6,043,345	6,198,963
Education	349,137	141,890	491,027	508,564
Support (note 11)	804,502	-	804,502	5,520,199
	<u>6,593,518</u>	<u>745,356</u>	<u>7,338,874</u>	<u>12,227,726</u>

#### 11. Support costs

	Box office, touring and productions £	Education £	2018 Total £	2017 Total £	Basis of Apportionment
Staff costs	371,559	36,169	407,728	5,196,683	Staff time
Other costs	341,348	27,735	369,083	257,029	Expenditure
Governance costs (note 12)	25,610	2,081	27,691	66,487	Expenditure
	<u>738,517</u>	<u>65,985</u>	<u>804,502</u>	<u>5,520,199</u>	

#### 12. Governance costs

	2018 £	2017 £
Health and safety	7,133	11,191
Audit fees	13,880	13,650
Other professional fees	6,678	41,646
	<u>27,691</u>	<u>66,487</u>

## SCOTTISH BALLET

### Notes to the Financial Statements For the year ended 31 March 2018

<b>13. Net movement in funds</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net movement in funds are stated after charging/(crediting):		
Depreciation	317,620	327,364
Auditor's remuneration		
Audit fees	13,880	13,650
Non-audit – taxation advice	2,580	3,195
Operating leases	13,828	13,912
Loss/(gain) on disposal of fixed asset	489	(3,150)
Interest receivable	(4,543)	(8,761)
Cost of stock	42,192	31,694
	<u>                    </u>	<u>                    </u>
<b>14. Employees</b>	<b>2018</b>	<b>2017</b>
	<b>No</b>	<b>No</b>
The average number of staff employed by the company during the financial year amounted to:	90	84
The average full time equivalent staff during the financial year amounted to:	85	80
	<u>                    </u>	<u>                    </u>
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
The aggregate payroll costs of the above were:		
Wages and salaries	2,745,764	2,541,834
Social security costs	244,374	236,613
Other pension costs	174,721	174,439
Defined benefit pension scheme – buyout costs	-	4,859,884
	<u>                    </u>	<u>                    </u>
	<b>3,164,859</b>	<b>7,812,770</b>
	<u>                    </u>	<u>                    </u>
<b>15. Directors and employees (contributions)</b>		
At 15 December 2017, the company requested a section 75 statutory buyout settlement figure, which was agreed and concluded on 31 March 2017. The remaining past deficit contributions liability at 15 December 2017 was released to the Statement of Financial Activities during the year ended 31 March 2017 and was netted off against the full settlement figure of £5,700,000 (note 26). During the year past service deficit contributions of £nil (2017: £90,210) were paid.		
	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
The number of employees whose emoluments amounted to over £60,000 in the year, including royalty payments, was as follows:		
£70,001 - £80,000	-	1
£80,001 - £90,000	2	-
£100,001 - £110,000	-	1
The number of employees with emoluments in excess of £60,000 with retirement benefits accruing in a money purchase scheme was:	2	2
	<u>                    </u>	<u>                    </u>
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
The employer's contributions in respect of the above employees amounted to:	13,581	17,315
	<u>                    </u>	<u>                    </u>

## SCOTTISH BALLET

### Notes to the Financial Statements For the year ended 31 March 2018

#### 16. Directors and key management personnel

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Remuneration in respect of directors was as follows:		
Emoluments receivable	164,024	123,924
Pension contributions to a defined contribution scheme	13,581	12,722
	<u>177,605</u>	<u>136,646</u>

The above emoluments represent payments made for services from the Chief Executive Officer/ Artistic Director and the Executive Director. The Executive Director was appointed as a company director on 16 December 2016.

The other directors of Scottish Ballet are non-executive and are not remunerated.

During the year 6 directors were reimbursed for travel expenses totalling £20,559 (2017: 4 directors, £14,555): 4 non-executive directors amounting to £2,800 (2017: 2 directors, £587); and 2 executive directors amounting to £17,759 (2017: 2 directors, £13,969). Executive Director expenses include travel expenses incurred in the course of the company's national and international tours.

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Remuneration in respect of key management personnel was as follows:		
Emoluments receivable	164,024	179,402
Employers NIC	19,445	18,846
Pension contributions to a defined contribution scheme	13,581	17,315
	<u>197,050</u>	<u>215,563</u>

Key management personnel are considered to be Christopher Hampson (Chief Executive Officer/Artistic Director) and Steven Roth (Executive Director).

## SCOTTISH BALLET

### Notes to the Financial Statements For the year ended 31 March 2018

#### 17. Tangible fixed assets

	Long leasehold property £	Office adaptations, vehicles & equipment £	Musical instruments £	Total £
<b>Cost</b>				
At 1 April 2017	11,373,783	1,191,512	57,893	12,623,188
Additions	-	141,631	-	141,631
Disposals	-	(11,344)	-	(11,344)
At 31 March 2018	<u>11,373,783</u>	<u>1,321,799</u>	<u>57,893</u>	<u>12,753,475</u>
<b>Depreciation</b>				
At 1 April 2017	1,732,606	1,093,690	46,612	2,872,908
Charge for the year	227,476	88,047	2,097	317,620
Disposals	-	(10,855)	-	(10,855)
At 31 March 2018	<u>1,960,082</u>	<u>1,170,882</u>	<u>48,709</u>	<u>3,179,673</u>
<b>Net book value</b>				
At 31 March 2018	<u>9,413,701</u>	<u>150,917</u>	<u>9,184</u>	<u>9,573,802</u>
At 31 March 2017	<u>9,641,177</u>	<u>97,822</u>	<u>11,281</u>	<u>9,750,280</u>

All tangible fixed assets are used for charitable purposes.

	2018 £	2017 £
<b>18. Debtors</b>		
Trade debtors	57,887	73,275
Other debtors		
Expenditure in respect of future productions	309,406	259,493
Sundry debtors	7,359	19,487
VAT & FEU	39,785	518
Theatre tax relief	249,251	366,174
Prepayments	47,377	30,106
Accrued income	26,902	9,881
	<u>737,967</u>	<u>758,934</u>
<b>19. Cash and cash equivalents</b>		
Balances held in current accounts	477,571	154,502
Balances held in deposit accounts	2,182,731	1,937,819
	<u>2,660,302</u>	<u>2,092,321</u>

## SCOTTISH BALLET

### Notes to the Financial Statements For the year ended 31 March 2018

	2018 £	2017 £
<b>20. Creditors: Amounts falling due within one year</b>		
Trade creditors	172,734	98,968
Other taxation and social security	66,017	69,021
Other creditors	47,442	1,542
Pension contributions	23,819	23,430
Accruals	148,911	165,135
Deferred income	217,380	169,300
Scottish Government loan	151,360	150,607
	<u>827,663</u>	<u>678,003</u>

Deferred income of £ 217,380 (2017: £169,300) relates to monies to which the charity is not yet entitled at the year end. The deferred income is released to the SOFA when all entitlement criteria has been met, usually in the subsequent financial year.

	2018 £	2017 £
<b>Deferred income</b>		
At 1 April	169,300	333,928
Received in the year	206,481	125,900
Released to the SOFA in the year	(158,401)	(290,528)
	<u>217,380</u>	<u>169,300</u>

The Scottish Government (principal) and The Royal Bank of Scotland (secondary) hold floating charges over the assets of the company. Standard securities over the ground and the first floor premises leases in respect of Tramway which were formerly held by The Royal Bank of Scotland have been discharged.

	2018 £	2017 £
<b>21. Creditors: Amounts falling due after more than one year</b>		
Scottish Government loan	<u>3,698,033</u>	<u>3,849,393</u>

The Scottish Government loan has the following repayment schedule:

Due within one year	151,360	150,607
Due within one to two years	152,117	151,360
Due within two to five years	460,929	458,636
Due in more than five years	3,084,987	3,239,397
	<u>3,849,393</u>	<u>4,000,000</u>

The £4m loan was received on 31 March 2017 and is repayable over 25 years. The interest rate applied to the loan is 0.5%

## SCOTTISH BALLET

### Notes to the Financial Statements For the year ended 31 March 2018

#### 22. Financial instruments

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Cash and cash equivalents	2,660,302	2,092,321
Financial assets measured at amortised cost	92,148	102,643
	<u>2,752,450</u>	<u>2,194,964</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(4,242,299)</u>	<u>(4,289,075)</u>

Financial assets measured at amortised cost comprise trade debtors, sundry debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, pension contributions, accruals and loans.

#### 23. Related party transactions

There were no related party transactions other than the remuneration and board expenses to the board of directors as disclosed in note 16.

#### 24. Leasing commitments

At 31 March 2018 the company had commitments under non-cancellable operating leases as set out below:

	<b>Assets other than land &amp; buildings</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Not later than one year	11,044	13,358
Later than one year and not later than five years	18,469	12,605
	<u>29,513</u>	<u>25,963</u>

The company has entered into a 99 year lease for the land at Tramway and 99 year occupational lease, expiring on 12th August 2106. Both leases are with Glasgow City Council and the annual rental charge for each is £1.

#### 25. Capital commitments

A grant from the Scottish Government of £22,500 was awarded to fund the purchase of a HGV trailer for touring. At 31 March 2018, these funds had been committed but not yet spent.

## SCOTTISH BALLET

### Notes to the Financial Statements For the year ended 31 March 2018

#### 26. Pensions

##### Defined benefit scheme

Scottish Ballet participated in the Pension Scheme (the 'Scheme') for Administration and Technical Staff in the Arts. The Scheme is a multi-employer defined benefit scheme.

The Scheme was closed to future accrual on 14 December 2012. In order to eliminate exposure to further potential shortfalls in the sufficiency of the assets of the scheme to cover the benefits accrued to members and with the support of Scottish Government, Scottish Ballet served notice to cease participation in the Scheme and triggered a debt under section 75 of the Pensions Act 1995 and the Occupational Pension Schemes (Employer Debt) Regulations 2005, with an effective date of cessation of 15 December 2016.

The Section 75 Debt was calculated by the trustee and actuary of the Scheme on 28 March 2017 as £5,700,000 which Scottish Ballet settled on 31 March 2017. The trustee has since confirmed discharge of Scottish Ballet's liabilities in the Scheme and that Scottish Ballet ceased to be a participating employer and statutory employer as at 31 March 2017.

	2018 £	2017 £
<b>Past service deficit repayment liability</b>		
Provision at 1 April	-	930,326
Deficit contributions paid	-	(90,210)
Release of the remaining liability	-	(840,116)
	<hr/>	<hr/>
Provision at 31 March	-	-
	<hr/> <hr/>	<hr/> <hr/>

##### Defined Contribution Scheme

The company also operates a defined contribution scheme for dancers. The assets of the Scheme are held separately from those of the company in an independently administered fund. Pension contributions payable by the company to the fund during the year amounted to £56,391 (2017: £54,378).

The company operates a second defined contribution scheme for the benefit of staff. The assets of the Scheme are held separately from those of the company in an independently administered fund. Pension contributions payable by the company to the fund during the year amounted to £115,372 (2017: £118,249).

Pension contributions totalling £2,958 (2017: £1,812) were paid directly to an employee's personal pension plan.

#### 27. Contingent liabilities

Following the liquidation of Carillion, a guarantee against potential defects on the installation of the roof of the Tramway building has ended, meaning Scottish Ballet must now meet any obligations for repairs. A survey of the conditions of the roof has indicated repairs are required, though the urgency and cost have not been possible to accurately estimate at this date. The directors have agreed to set aside funds for roof and other building repairs in the building refurbishment reserve (note 29) totalling £100,000, as a provisional amount, until more accurate estimates can be made.

## SCOTTISH BALLET

### Notes to the Financial Statements For the year ended 31 March 2018

#### 28. Restricted funds – Movements in the year

	At 1 April 2017 £	Income and endowments £	Expenditure £	Transfers £	At 31 March 2018 £
Productions and education	156,530	796,625	(780,658)	-	172,497
Capital equipment grant 13/14	36,019	-	-	(36,019)	-
Capital equipment grant 17/18	-	67,800	-	(45,300)	22,500
Rita Dow	17,430	-	-	-	17,430
	<u>209,979</u>	<u>864,425</u>	<u>(780,658)</u>	<u>(81,319)</u>	<u>212,427</u>

The productions restricted reserve relates to funding received towards specific productions. The balance held in reserves reflects funding received, not expended in the year.

A capital equipment grants was received in 2013/14 from the Scottish Government to assist Scottish Ballet in the upgrading of building premises and IT. This money has been fully spent, with the remaining balance being released in the year.

Two further capital equipment grants were received in 2018. During 2017/18, additional funding of £45,300 was received from the Scottish Government to assist Scottish Ballet in the upgrading of building premises and IT and additional funding of £22,500 was received from the Scottish Government to assist Scottish Ballet with the purchase of a HGV trailer for touring. The fund is released in line with expenditure and the restrictions applicable within the grants. At 31 March 2018, the grant of £22,500 remained unspent.

The Rita Dow memorial fund was established in 1998 to support the choreographic work of the company's dancers. No funds were expended in the year (2017: £nil).

#### 29. Designated Funds – Movements in the year

	At 1 April 2017 £	Income and endowments £	Expenditure £	Transfers £	At 31 March 2018 £
Tramway capital reserve	9,641,177	-	-	(227,476)	9,413,701
Pension loan reserve	901,492	-	-	-	901,492
Dancers' health & wellbeing reserve	50,063	-	(20,000)	20,000	50,063
Brand activation reserve	50,000	-	(50,000)	50,000	50,000
Digital production initiative reserve	30,000	-	(30,000)	30,000	30,000
Digital archiving reserve	-	-	-	20,000	20,000
50 <sup>th</sup> anniversary reserve	-	-	-	100,000	100,000
Building refurbishment reserve	-	-	-	100,000	100,000
	<u>10,672,732</u>	<u>-</u>	<u>(100,000)</u>	<u>92,524</u>	<u>10,665,256</u>

Following the completion of the Tramway project in 2009 all funds raised to cover the project cost were consolidated into the Tramway Capital Reserve. £227,476 (2017: £227,476) was transferred from this fund to unrestricted reserves in the year to match against the depreciation charge in respect of Tramway.

Following the discharge from the Defined Benefit Pension Scheme, £901,492 was transferred to a designated pensions reserve – the Pension loan reserve. The purpose of the Pension loan reserve is to set funds aside to safeguard the repayment of the loan advanced by the Scottish Government to allow the full settlement of Scottish Ballet's liabilities to the Pension Scheme.

## SCOTTISH BALLET

### Notes to the Financial Statements For the year ended 31 March 2018

#### 29. Designated Funds – Movements in the year (continued)

Dancers' health & wellbeing reserve represents funds designated over a number of years for the provision of additional and improved facilities for staff. The digital production initiative reserve represents funds designated for establishing a Digital Production concept. Scottish Ballet has commissioned a number of outstanding digital works and continues, as part of our strategic plan, to prioritise Digital creation and capture in order to maintain a leadership position in this area. The brand activation reserve expenditure relates to the activation of the new Scottish Ballet Brand. All three of these reserves have been used and reinstated in the year for anticipated additional costs. Costs of health screening, digital production and physiotherapy facilities are expected to be incurred during 2018/19. Costs of brand activation are expected to be incurred over the periods to 2019/20, to coincide with Scottish Ballet's 50th anniversary.

Reserves have been increased in the year for the digital archiving project reserve which is an extension to our Digital seasons. There is a requirement for the creation of a Scottish Ballet digital archive in order to protect and make available historical work currently on film or VHS for future reference and as part of the company strategic plan. Projected expenditure for the development and implementation of this project is £50,000 over three years. The 50<sup>th</sup> Anniversary reserve has been established as 2019 marks the company's 50th Anniversary which, in addition to showcasing the activities of the company, will require a substantial outlay in order to achieve the level of profile sought and to enhance public engagement with the company. The projected commitment for the development and implementation of a year of promotions and events is anticipated to require up to £100,000. The building refurbishment reserve has been established to cover any future costs relating to the roof of the Tramway building (see note 27).

#### 30. Unrestricted Funds - Movement in the year

	General Unrestricted funds £	Pension Unrestricted funds £	Total Unrestricted funds £
Income and endowments	6,992,280	-	6,992,280
Expenditure	(6,860,316)	-	(6,860,316)
Theatre Tax Relief	252,104	-	252,104
	384,068	-	384,068
Transfers:			
Release from capital equipment grant reserve 13/14	36,019	-	36,019
Release from capital equipment grant reserve 17/18	45,300	-	45,300
Release from Tramway capital reserve	227,476	-	227,476
Release to pension loan reserve	(150,607)	150,607	-
Designated to dancers' health and wellbeing	(20,000)	-	(20,000)
Designated to brand activation reserve	(50,000)	-	(50,000)
Designated to digital production initiative reserve	(30,000)	-	(30,000)
Designated to Digital archiving reserve	(20,000)	-	(20,000)
Designated to 50 <sup>th</sup> anniversary reserve	(100,000)	-	(100,000)
Designated to building refurbishment reserve	(100,000)	-	(100,000)
	222,256	150,607	372,863
At 1 April 2017	1,228,168	(4,000,000)	(2,771,832)
At 31 March 2018	1,450,424	(3,849,393)	(2,398,969)

## SCOTTISH BALLET

### Notes to the Financial Statements For the year ended 31 March 2018

#### 31. Analysis of net assets between funds

	General unrestricted funds £	Designated funds £	Restricted funds £	Total £
Tangible fixed assets	160,101	9,413,701	-	9,573,802
Cash and cash equivalents	1,196,320	1,251,555	212,427	2,660,302
Other net current liabilities	(57,357)	-	-	(57,357)
Long term liabilities	(3,698,033)	-	-	(3,698,033)
	<u>(2,398,969)</u>	<u>10,665,256</u>	<u>212,427</u>	<u>8,478,714</u>

#### 32. Notes to cash flow statement

	2018 £	2017 £
Reconciliation of net income/(expenditure) to net cash provided by operating activities		
<b>Net income/(expenditure)</b>	367,835	(4,334,105)
Interest receivable	(4,543)	(8,761)
Interest paid	20,000	-
Depreciation	317,620	327,364
Loss/(gain) on disposal	489	(3,150)
Decrease/(increase) in stocks	4,401	(6,609)
Decrease/(increase) in debtors	20,967	(32,945)
Increase/(decrease) in creditors	148,907	(1,047,622)
Net cash generated from/(used in) operating activities	<u>875,676</u>	<u>(5,105,828)</u>

**SCOTTISH BALLET**

**Notes to the Financial Statements  
For the year ended 31 March 2018**

**33. Comparative Statement of Financial Activities (including Income and Expenditure Account)**

	Unrestricted funds		Restricted funds	2017 Total
	General £	Designated £	£	£
<b>Income and endowments</b>				
Grants, donations and legacies	4,542,880	-	327,018	4,869,898
Charitable activities	2,412,273	-	292,421	2,704,694
Income from other trading activities	173,134	-	129,362	302,496
Investments	8,761	-	-	8,761
Other income	24,414	-	-	24,414
<b>Total income and endowments</b>	<b>7,161,462</b>	<b>-</b>	<b>748,801</b>	<b>7,910,263</b>
<b>Expenditure</b>				
Raising funds	(181,828)	-	(200,988)	(382,816)
Charitable activities	(11,745,443)	-	(482,283)	(12,227,726)
<b>Total expenditure</b>	<b>(11,927,271)</b>	<b>-</b>	<b>(638,271)</b>	<b>(12,610,542)</b>
<b>Net (expenditure) / income before theatre tax relief and transfers</b>	<b>(4,765,809)</b>	<b>-</b>	<b>65,530</b>	<b>(4,700,279)</b>
Theatre tax relief	366,174	-	-	366,174
<b>Net (expenditure) / income</b>	<b>(4,399,635)</b>	<b>-</b>	<b>65,530</b>	<b>(4,334,105)</b>
Transfers between funds	1,058,825	(987,360)	(71,465)	-
<b>Net movement in funds</b>	<b>(3,340,810)</b>	<b>(987,360)</b>	<b>(5,935)</b>	<b>(4,334,105)</b>