

SCOTTISH BALLET

Est: 1969

ANNUAL REPORT & FINANCIAL STATEMENTS

**SCOTTISH BALLET
Company Limited by Guarantee**

**Annual Report & Financial Statements
For the year ended 31 March 2019**

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

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Company Information

Registered Office:	Tramway 25 Albert Drive Glasgow G41 2PE
Company Registration Number:	SC065497
Charity Registration Number:	SC008037
Website:	www.scottishballet.co.uk
Directors:	Norman Murray (Chair) Jann Brown (Vice Chair from 12/12/18) Jacquelynn Crow (retired as Vice Chair 12/12/18) Callum Meikle Rachel Gwyon Keith Ruddock Christopher Hampson (CEO and Artistic Director) Steven Roth (Executive Director) Anna Bateson Giles Hedger Theodorus Brandsen Barbara Allison (Appointed 19/03/19) Catherine Muirden (Appointed 19/03/19) Kirsty Wark (Appointed 12/06/19) James Mackenzie-Blackman (Appointed 18/09/19)
Secretary:	Neil MacIver
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:	RSM UK Audit LLP Chartered Accountants Centenary House 69 Wellington Street Glasgow G2 6HG

PART ONE – 2018/19 Year in Review

1. 2018/19 Highlights

Scottish Ballet: ‘Inspiring on stage... and beyond!’

Making ballet accessible is at the heart of what we do: connecting with audiences in the theatre, in our studios, in community centres, schools and care homes.

Our 2018/19 programme showcased the company’s range, breadth and adaptability – from transforming sports halls in remote Scottish islands to performing on major stages across Asia, including a hugely popular tour of Matthew Bourne’s *Highland Fling* and Christopher Hampson’s *Cinderella* within Scotland, and sell-out performances of *Hansel & Gretel* in Seoul, Macau and Hong Kong.

In 2018/19 Scottish Ballet presented 106 main-stage performances across Scotland, in the rest of the UK and internationally. Over 100,000 people attended these performances with net box office income in excess of £2 million achieved. Scottish Ballet’s total revenue for 2018/19 was £8.414 million, against expenditure of £8.432 million.

Aligned closely with our Mission to ‘Inspire on stage and beyond’, Scottish Ballet delivered around 207 separate events from weekly classes to dance and dance for health workshops, to talks and unique projects. Through these activities we engaged with 40,773 participations aged from 3 to 101 years.

Key indicators

- **102,694 attended our performances**
- **40,773 participants in our engagement & outreach activities**
- **1.3 million video views**
- **£1.04m (gifts, trusts and sponsorship) raised in support of our Mission: ‘To inspire on stage and beyond’**

Awards & Commendations

UK Theatre Awards: Winner, Renee Stepham Award for Best Presentation of Touring Theatre for *Highland Fling*

Sunday Herald Culture Awards: Commendation for Gary Harris, Designer Award, for *The Fairy’s Kiss* and nominated for Behind-the-Scenes Award and Best Dance Performer

National Dance Awards: nominated for Outstanding Company, Best Male Performance in Classical Ballet and Best Female performance in Classical Ballet

Sunday Times Top 100 not-for-profit UK employers: ranked #59

Sunday Times Top 50 employers in Scotland: ranked #31

Performance statistics

	Number of performances	Audiences
Scotland	84	79,279
Rest of UK	6	5,376
International	16	18,039
Total	106	102,694

2018/19 Year in Review (cont.)

- Net box office revenue £2.06 million
- Touring to: Scottish Highlands and islands, national, UK and Asia
- 96% of targeted Scotland audience numbers achieved
- 207 engagement events / 40,773 participations

Operational statistics

Another strong performance outcome was recorded for 2018/19:

- Operating surplus of £55,160 (before donation to SBEF), against a forecast deficit of £333,095
- The final position after donations, transfers and Theatre Tax Relief (TTR) was a net deficit of £17,908.

Key indicators:

- 62% increase in philanthropy income (from an increased number of donors)
- 25% increase in Trusts and Foundations revenue
- Strong performance from corporate partnerships, up from 2.7% to 3.3% of total income
- 2% increase in box office revenue and continuing reduction of churn
- 12% increase in youth audiences
- £120,000 Project funding received for MS programme Elevate, and for primary schools Safe to be Me programme.

How we rate

The company regularly tracks audience satisfaction and propensity to recommend. The results from post-show surveys in 2018/19 have been outstanding: 96% of audiences rating *Highland Fling* as ‘good’ or ‘excellent’, 94% for *Cinderella* and 92% for *Spring!* (Inverness only – the first venue of our 2019/20 season).

We are continuing to see a trend of increasing repeat attendance within Scotland, showing a growing loyalty to our brand and a strong appreciation of Scottish Ballet’s unique creative output. Based on available ticket data, repeat bookings made up 61% of the total in 2018-19, compared with 49% in the previous year.

More about Scottish Ballet

Scottish Ballet was founded in 1969 as Scotland’s national dance company. In 2019 the company is celebrating 50 years of inspiring audiences on stage and beyond, with a creative vision *crafted by Scotland*.

Based in Glasgow, the company performs regularly across Scotland, the UK and internationally – promoting Scotland’s pioneering spirit far and wide. Under CEO/Artistic Director Christopher Hampson, Scottish Ballet presents bold, adventurous performances rooted in strong classical technique, usually accompanied by the Scottish Ballet Orchestra.

The company’s broad repertoire includes new versions of the classics and ground-breaking commissions, as well as an innovative digital season every two years. An extensive engagement programme, tailored to the needs of diverse communities, promotes confidence, fosters well-being and encourages creativity through dance.

2. Chairman's Introduction

2018/19 has been a remarkable 12 months for reaching out to audiences nationally and internationally. The company's unique creativity and always-surprising – and inspiring – agility is fast becoming its hallmark. We can all be proud of our national dance company, which continues to achieve excellence for Scotland and beyond.

On behalf of the Board of Directors, I acknowledge and pay tribute to the company's commitment to Scotland and its role as a vital brand ambassador when abroad. The professionalism and dedication of all involved is the result of exceptional leadership from CEO/Artistic Director, Christopher Hampson and Executive Director, Steven Roth. Their encouragement of 'one team' and a management style that empowers leadership growth and rewards success, is recognisable throughout the whole organisation: our talented professional dancers and creative artists, and passionate, highly skilled operational, production and technical teams.

This teamwork and generosity of spirit was palpable when the company recently presented its 50th Anniversary Golden Gala Dinner, on stage at the Festival Theatre Edinburgh (22 June 2019). It was not only an outstanding night and fitting tribute to all that the company has achieved over the past 50 years, but a bold, entertaining showcase of its talent, aspiration and dedication that places the company squarely on solid ground for the next 50 years.

The health and well-being of our people is of paramount importance to the Board and executive and is reflected in our strategic decision to appoint a Head of People & Wellbeing, thus formalising a team dedicated to the health and resilience of our people.

In October 2018, we announced the company's 50th anniversary season (2019-20), which includes three world premieres on Scottish stages and our second Digital Season. This year-long celebration also includes two significant campaigns, the Five Wishes campaign, thanking the people of Scotland for shaping our identity as Scotland's national dance company, and our fundraising Five in Five campaign. This is an ambitious commitment to raise £5m to produce five new full-length ballets over the next five years – one for each decade of Scottish Ballet's history – an outstanding legacy contribution to 50 years.

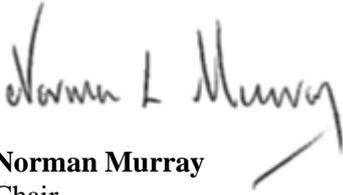
In addition to this forward-looking creative work, the company will also embark on another somewhat more urgent 'legacy' project, to digitise the video capture of the past 50 years' of Scottish Ballet performances. The company's old films and tapes, dating to the early 1970's, are in various stages of deterioration. When digitised they will be held in the Moving Image Archive of the National Libraries of Scotland, for future generations to study and enjoy.

I would also like to acknowledge my fellow Board members whose wide-ranging professional insights and devoted participation allows us to ensure that the governance of the company is beyond reproach. In March 2019 we appointed two new Board members, Catherine Muirden and Barbara Allison, and Kirsty Wark was nominated for appointment to the Board in September 2019. We value the experience that our Directors generously share with the company.

Finally, all that we achieve on stage and beyond is only made possible through the enthusiasm of our audiences and participants and the strong support of our valued patrons, government and corporate stakeholders.

In 2018/19 our patrons (Friends, trusts and corporate sponsors) have contributed the vital difference between our government grant/box office revenue (87%) and total expenditure. This contribution amounted to 13% of turnover in 18/19, an increase of 5% on 17/18. This achievement is particularly noteworthy in this current unstable world environment and economy... not to mention Brexit!

Through working in partnership with our willing and supportive government partner, The Scottish Government, the company aims to not only deliver on its cultural objectives, but to go well beyond. On behalf of the company I would like to thank the Scottish Government, and all who support the work of Scottish Ballet and I trust that it will long continue.

A handwritten signature in black ink that reads "Norman L Murray". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Norman Murray
Chair
18 September 2019

3. Inspiring on stage...

Highland Fling (Spring 2018)

2018 began with a spring tour of Matthew Bourne's colourful and entertaining *Highland Fling*, which took the company to Shetland, Oban, Orkney and Lewis, and to our main stages of Edinburgh and Glasgow. The enthusiastic response from audiences in the Highlands & Islands demonstrated a clear demand for quality ballet in these more remote locations.

'First live ballet experience (at the age of 49). I thought that I'd give it a try as so little live theatre comes to Oban. I loved the dancing, the accessibility of it all, the quality of the set, the music, the atmosphere that the production created. I could go on & on. I really enjoyed it. A great, well-staged production!' – Audience member

Matthew Bourne's *Highland Fling* is a reimagining of *La Sylphide* 'for the Trainspotting generation' and has become a defining work in Scottish Ballet's repertoire. For this tour, the technical department performed the extraordinary feat of building a full-scale production in sports halls and recreation centres across Scotland's remote Highlands and Islands, to the delight of local communities.

This was achieved by designing and constructing a free-standing truss which could support all necessary sets and lighting, including its own wings, 'backstage' area and power generators. The bespoke truss system was so comprehensive that it was also used for the performances at Theatre Royal Glasgow and Festival Theatre Edinburgh, where it sat inside the shell of the existing theatre and was entirely self-sufficient.

Our technical department's agility and initiative was recognised by the Renee Stepham Award for Best Presentation of Touring Theatre at the 2018 UK Theatre Awards.

'A triumph for Scottish Ballet, a tremendous treat for audiences.' The Herald

Hansel & Gretel (Summer 2018)

Christopher Hampson's *Hansel & Gretel* enjoyed a very successful tour of Asia, delighting audiences and selling out in Hong Kong (an extra performance added) and achieving strong sales in Macau and Seoul.

'Scottish Ballet's lively production of Hansel & Gretel had kids of all ages going home happy.' South China Morning Post

Wee Hansel & Gretel (Autumn 2018)

Taking inspiration from the popular 'Wee' formats that have accompanied winter tours for a number of years, the company has now developed a stand-alone *Wee Hansel & Gretel*, based on Christopher Hampson's original production but adapted to a 50-minute version aimed at 3 to 8-year-olds. After a successful pilot at Glasgow Theatre Royal in November 2018, which was attended by a 'family' audience of over 3,700, this production is now being further developed for a 10-venue tour across Scotland in 2019.

'A brilliant way to introduce your wee one to the magical world of ballet.' Primary Times

Inspiring on stage...(cont.)

Cinderella (Winter 2018-19)

For winter, Scottish Ballet presented Christopher Hampson's *Cinderella* (one of our three winter ballets in rotation), which toured Edinburgh Glasgow, Aberdeen, Inverness and Newcastle. Achieving over £1.4 million at the box office, this production exceeded revenue expectations benchmarked against 2018/19's record-breaking *Nutcracker* tour (in all venues except Edinburgh).

'A Christmas treat. Hampson's treatment of the evergreen story has ... reflective depths woven into choreography that balances wistful pathos with rambunctious comedy and brings them together with impressive narrative clarity.' The Herald *****

The tour totalled nine weeks with 57 performances, including an inclusive 'relaxed' performance (for people with a range of special needs) in Edinburgh, and a Wee Cinderella for family audiences in Edinburgh, Glasgow, Inverness and Aberdeen. More than 62,000 people attended across Scotland and in Newcastle – an average capacity of 87% across the run.

'My best night at the ballet since an aunt took me to Swan Lake to see my first ballet. I took my granddaughter on her own for her birthday and she was ecstatic from start to finish! During the interval she wondered about the swift costume change and then you emailed the answer with a video. It really was a magical performance. Thank you to everyone who made it so!' – Audience member

Spring! (Spring 2019)

In March 2019, Scottish Ballet officially launched its 50th anniversary with a gala opening of a new double bill in Inverness. Combining the world premiere of *Dextera*, by artist in residence, choreographer Sophie Laplane, paired with a revival of Kenneth MacMillan's joyful *Elite Syncopations*. This was the first time the company has opened a new season in the Highlands.

The opening night performance and gala reception were well attended and enthusiastically received. Fiona Hyslop, Cabinet Secretary for Culture, Tourism and External Affairs, attended along with national and local government representatives, key patrons and guests.

'Laplane has created a smart, quirky, funny, accessible work that constantly surprises. Spring! is a complete joy that has the audience in the palm of Scottish Ballet's hands.'
The Scotsman *****

4. ... and *beyond!*

SB digital

Following rapid growth off the back of the 2017 Digital Season, Scottish Ballet's online presence has continued to grow in 2018-19. Website traffic has increased by more than 50% and social media followers by 30%. Videos posted on the Scottish Ballet YouTube and Facebook channels received over 1.3 million views.

Dance Health

We continue to deliver our dementia-friendly programme, Time to Dance. Connecting with audiences from our regular touring cities; Glasgow, Edinburgh, Aberdeen and Inverness. As with all our Dance Health programme, classes are linked to our repertoire with accompanying live music.

In 2018/19 we launched five new Dance for Parkinson's hubs in Dundee, Greenock, Aberdeen, Inverness and Kilmarnock in partnership with Scotland's national dance agency, Dance Base. Classes are thriving, and communities and local resources have blossomed around the weekly dance activities.

In March 2019, we were delighted to launch a new Dance Health pilot, Elevate, for those living with Multiple Sclerosis. The programme has been specially conceived by our lead dance health practitioner. Research on the impact of the programme will be carried out by Dr Bethany Whiteside based at the Royal Conservatoire of Scotland in partnership with Jill Sonke, Director of the Centre for Arts in Medicine at the University of Florida and Julia Langley, Director of Arts and Humanities at Georgetown University Medical Centre, Washington DC.

Safe to be Me

In February 2019, we proudly piloted Safe to be Me (StBM), a new programme using dance to tackle challenging subjects such as racism, homophobia, bigotry, ableism and transphobia. The project is being rolled out to primary schools across Scotland in 2019 and is delivered in line with key Scottish Government targets to address bullying in these areas.

'We learned about how people can be different, and nobody is the same, and it's okay to be different.' – StBM participant

Talent & Professional Development

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.

The 2018/19 Associate Programme session has been marked by two significant achievements. Firstly, the successful introduction of SQA Higher Dance to the Senior Associate level, with a cohort of 18 students. Preliminary indications are that the results will be very strong. We have applied and been granted initial approval as an SQA examining centre, with a view to gaining full approval for the 19/20 session. Secondly, 2018/19 consolidated the largest ever cohort of students on a continuous training pathway from Primary 6 to Secondary 5 level. The numbers have been developed whilst increasing the standard, evidenced by the range of offers to students from the leading vocational schools.

The 18/19 academic session was completed with auditions for the new academic year. The introduction of a new Primary 5 level has been approved (weekly and Sunday class) and is a strategic development planned to increase access for younger ages. Close to 600 applicants were received at the closing date in April, which is the highest ever number.

... and *beyond!* (cont.)

Within our Music Department, we continue to deliver the Masters in Music (Piano for Dance), run in conjunction with the Royal Conservatoire of Scotland since 2006. International interest in the course continues, this years' applications have come from China, Singapore and New Zealand.

Scottish Ballet's Youth Exchange programme for 2018/19 is delivered in partnership with Torino Danza Festival, Compagnia Egri Bianco Danza, Balletto Teatro di Torino and Glasgow City Council. 12 young Italian dancers will join their Scottish counterparts in Glasgow in July 2019 to begin collaborating on a new choreography from Artist in Residence, Sophie Laplane. The exciting new work will be performed during Torino Danza as part of the official festival. It is the first time that pre-professional dancers will be presented as part of this prestigious annual festival.

Dedication to Scottish Ballet founding prima ballerina, Elaine McDonald

A Memorial Service for former Scottish Ballet founding prima ballerina, Elaine McDonald, was held at the Glasgow Cathedral on 20 May 2019. Sophie Martin contributed an excerpt from *Five Ruckert Songs* and musicians from the Scottish Ballet Orchestra performed music from Mozart and *Giselle*.

The service was an impressive and fitting tribute to Elaine, who not only made an incredible contribution to Scottish Ballet from its inception, but more broadly for her dedication and advocacy of dance practice and training in Scotland and throughout the UK.

Current and Future Plans

Scottish Ballet's 2019/20 season began with an enthusiastic Highlands audience at Eden Court, Inverness, joining the company for the opening night gala and party of *Spring!*. The opening at Eden Court gave an excellent springboard for our 50th Anniversary and included the World Premiere of *Dextera*, from Artist in Residence, Sophie Laplane, alongside Sir Kenneth MacMillan's ever popular *Elite Syncopations*. The season then toured to our Scottish main-stage theatres throughout April.

Our 50th anniversary season includes three world premieres – *Dextera*, *The Crucible* and *The Snow Queen* – our second *Digital Season*, and a major campaign asking the people of Scotland 'How can we thank you?' for 50 years of shaping our identity as Scotland's national dance company. The campaign has been an outstanding success to date and has seen five incredible wishes granted across the year.

The second Digital season was presented in May and got off to a brilliant start with two successful launches in Glasgow and London. The Digital Season especially highlights the breadth and depth of talent and creative inspiration that is the hallmark of Scottish Ballet. As a company, we not only strive to achieve excellence and innovation on stage, but aim to break down preconceptions about dance by taking our artform out into the world via digital platforms that are accessible to all.

A 'wee' production of a big ballet, *Wee Hansel & Gretel* was re-imagined for 3–8 year olds and has toured widely within Scotland. It is the first such venture of this kind for Scottish Ballet and planning is underway for future touring into the rest of the UK.

2019/20 also sees our dance health programmes expanding through research and pilot activities focusing on dementia, Parkinson's and Multiple Sclerosis.

PART TWO – Report of the Directors (incorporating the Strategic Report): Year Ending 31 March 2019

The directors present their report with the audited financial statements of the Company for the year ended 31 March 2019.

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.

Our Purpose, Mission, Vision, Goals

Scottish Ballet is the award-winning national dance company of Scotland and one of the five national performing arts companies. Originally formed in Bristol in 1957 as Western Theatre Ballet by the pioneering choreographer Peter Darrell, the Company transferred to Scotland in 1969 becoming Scottish Theatre Ballet, and thereafter Scottish Ballet in 1974.

Scottish Ballet continues to build on its heritage as a bold, adventurous company with ambitious creative programmes and touring. Scottish Ballet celebrates its 50th anniversary in 2019.

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.

Our *Purpose* (what we aim to do) is to excel at being Scotland's national dance company for the benefit of all in our communities and as an ambassador for Scotland and its rich cultural offering.

Our *Mission* (our ambition) is to inspire on stage and beyond.

Our *Vision* (our aspiration) is to move people by sharing our passion and creating exceptional dance.

Our *Strategic Goals*, which are embedded in the Company's 2017-2022 Strategic Plan, are to:

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

Report of the Directors (incorporating the Strategic Report): Year Ending 31 March 2019

Strategic Review

Achievements and performance

A full summary of the Company's achievements and performance during the year are provided on pages 2 to 9, including the Chair's Statement.

External responsibilities

Scottish Ballet is supported by public funds. These, in the main, were from the Scottish Government in 2018/19. Additional funds were received from Arts Council England 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.

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 before the donation of funds to Scottish Ballet Endowment Fund (SBEF) was a **surplus of £55,160** (2018: £115,731):

	£
Total Income	7,986,954
Total general operating costs	(7,931,794)
	<u>55,160</u>
Donation to Scottish Ballet Endowment Fund (SBEF)	(500,000)
Theatre Tax Relief	426,932
	<u>(17,908)</u>
	<u><u>(17,908)</u></u>

After the donation of £500,000 to SBEF and Theatre Tax Relief of £426,932 (2018: £252,104), net expenditure for the year was a **deficit of £17,908**.

Touring activities in 2018/19 resulted in a 20% increase in the number of performances compared with 2017/18, in particular within Scotland. The 31% increase in net income from the previous year is a result of the company's strong growth in earned income (box office and philanthropic funds) and effective control of expenditure.

In order to consolidate funds held for the company's security and sustainability, the Scottish Ballet Board approved a donation of £500k to the SBEF. The SBEF (a Scottish Charitable Incorporated Organisation (SCIO) (SC049065)) has an independent, dedicated board of Trustees who work closely with Cazenove Capital (appointed fund managers in 2018) to ensure strong capital growth is achieved over the longer term.

The objective of SBEF is to support and secure the long term future of Scottish Ballet in furtherance of its charitable purposes, with particular focus on supporting the development of Scottish Ballet as Scotland's national ballet company and assisting with Scottish Ballet's future projects and programmes undertaken in the promotion of the arts, culture and education.

Report of the Directors (incorporating the Strategic Report): Year Ending 31 March 2019

Reserves movements

In addition to the funds held and invested by SBEF, the directors have agreed to ensure the resilience and sustainability of the company by setting aside further funds for building refurbishment and Dancers Health and Wellbeing, in addition to funds held to mark our 50th Anniversary year, completion of our brand development and the development of our digital footprint. A further £224,500 of general funds were designated in respect of these future liabilities.

A pensions loan reserve of £501,492 (2018: £901,492) was established in March 2017 to support the repayment of the loan in future years. The outstanding loan is scheduled to be repaid over a period of 25 years using future surpluses and, where required, the Pensions Loan Reserve. Repayments will be made in accordance with the loan agreement and 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.

As Scottish Ballet now incorporates pension loan repayments in annual and long term business planning and with the security provided by funds held by SBEF, the need to maintain current levels of loan repayment cover lessens. The Pension Loan Reserve, the purpose of which was to set funds aside to safeguard the repayment of the loan advanced by the Scottish Government, has been partially released to unrestricted reserves and will be reviewed annually to ensure sufficient cover.

Note 30 of Notes to the Financial Statements details the expected timing of expenditure against designated reserves.

The result of these movements in designations is a marginal increase in the general fund carried forward of £4,308 (2018: increase of £372,863), giving an accumulated unrestricted general fund of £2,394,661 deficit, from a deficit of £2,398,969 in 2017/18.

This deficit is fully explained in note 31 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 third 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.

Reserves policy

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

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.

As part of the funding agreement with Scottish Government, Scottish Ballet is not permitted to hold more than 10% of total income as general, unrestricted reserves. The Board annually reviews and prioritises the amount of free reserves to ensure that they are sufficient to manage the business.

Report of the Directors (incorporating the Strategic Report): Year Ending 31 March 2019

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

Scottish Ballet holds reserves of £8,460,806 (notes 29-31) which includes a designated Tramway capital reserve of £9,186,225 against which the annual depreciation of the building is charged. Other restricted and designated reserves total £1,669,242.

The negative balance on unrestricted reserves reflects £1,304,124 of accumulated general retained surplus funds less an amount of £3,698,786, 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.

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 £2,078,861, £1,001,554 is attributable to designated reserves, £667,687 to restricted reserves and £409,620 to unrestricted reserves (note 32).

Risk management

The Directors have implemented a risk management strategy which comprises:

- A full business risk assessment is monitored by the Audit and Risk Committee and reviewed by the Board at least 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 targets, impacting on artistic programme requirements.
- Failure of artistic programme, impacting on reputation and box office revenue.

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 planning and forecasting process and strong cost control.

The Company has 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.

Going Concern

The directors regularly receive and review financial management reports, including cashflows, and stress test to ensure they are satisfied that the Company's resources are adequate to fulfil its obligations for the foreseeable future. These Financial Statements have therefore been prepared on a going concern basis.

Plans for future periods

Refer 2018/19 Year in Review: Current and Future Plans.

Report of the Directors (incorporating the Strategic Report): Year Ending 31 March 2019

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.

Appointment of directors

As set out in the Articles of Association, new directors are appointed at the first Board meeting they attend, elected as trustee at the following AGM and may serve two (three year) terms. A third term may be served in exceptional circumstances. The directors select both the Chair and Vice Chair.

Board

Non-Executive Directors:

Norman Murray FRSE, Chair

Jann Brown, Vice Chair; Chair of Audit & Risk Committee

Barbara Allison

Anna Bateson

Ted Brandsen

Jacquelynn Craw

Rachel Gwyon

Giles Hedger

Callum Meikle, Chair, Finance & Operations Committee

Catherine Muirden

Keith Ruddock, Chair, Nominations & Remunerations Committee

Executive Directors:

Christopher Hampson, CEO/Artistic Director

Steven Roth, Executive Director

Membership

There were two new members appointed and one nominated for appointment in 2018/19:

- Barbara Allison
- Catherine Muirden
- Kirsty Wark (nominated)

Report of the Directors (incorporating the Strategic Report): Year Ending 31 March 2019

Membership (cont.)

Further, Jacquelynn Craw retired as Vice Chair, and Jann Brown assumed that position.

No members retired in 2018/19.

The current gender balance is 7 female / 7 male.

The Board of Directors seeks to ensure that its members possess the full range of interest and skills relevant to the objectives of the Company. An Executive Recruitment consultancy is used to identify prospective candidates who meet the criteria and skills required.

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.

Organisation & Attendance

Four meetings of the Scottish Ballet Board were held throughout 2018/19, with average attendance of 96%.

The Board maintains three governance committees. These are:

i) Finance and Operations Committee

This comprises five non-executive directors and the Executive Director as at 31 March 2019 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.

Four meetings of the Finance & Operations Committee were held throughout 2018/19, with average attendance of 90%.

ii) Nomination and Remuneration

This comprises three non-executive directors and is chaired by Keith Ruddock. 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.

Six meetings of the Nominations & Remunerations Committee were held throughout 2018/19, with attendance of 100%.

Report of the Directors (incorporating the Strategic Report): Year Ending 31 March 2019

Organisation & Attendance (cont.)

iii) Audit & Risk Committee

This Committee comprises four 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. Two meetings of the Audit & Risk Committee were held throughout 2018/19, with average attendance of 84%. In addition, the Chair of Audit and Risk met with the external audit partner on two occasions during the year.

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 as to 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, RSM UK Audit LLP, 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 good governance and financial wellbeing.

All members of the Board are Non-Executive Directors except the Chief Executive Officer/Artistic Director and the Executive Director. The Board delegates responsibility for day to day operations of the company to the executive and senior management teams, in accordance with company financial regulations. All major policy and financial decisions are approved by the Board.

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.

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;

Report of the Directors (incorporating the Strategic Report): Year Ending 31 March 2019

Directors' responsibilities in relation to the financial statements (cont.)

- 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.

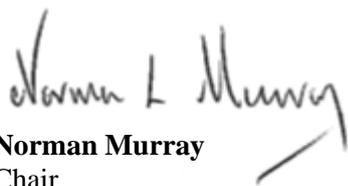
Disclosure of information to the auditor

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 has been approved by the Board.

On behalf of the Board



Norman Murray

Chair

18 September 2019

PART THREE – Independent Auditor’s Report to the Directors and Members of Scottish Ballet: Year Ending 31 March 2019

Opinion

We have audited the financial statements of Scottish Ballet (the charitable company) for the year ended 31 March 2019 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 2019 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 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.

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.

Independent Auditor's Report to the Members and Directors of Scottish Ballet: Year Ending 31 March 2019 (Cont.)

Other information

Other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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 Report of the Directors or Strategic Report, included within the Annual Report.

We have nothing to report in respect of the following matters where 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.

Independent Auditor's Report to the Members and Directors of Scottish Ballet: Year Ending 31 March 2019 (Cont.)

Responsibilities of the directors

As explained more fully in the directors' responsibilities statement set out on pages 15 and 16, 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.

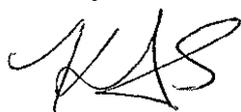
Auditor's responsibilities for the audit of the financial statements

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.

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. This description forms part of our auditor's report.

Use of our report

This report is made exclusively to the 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 section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company's directors, 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, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.



Kelly Adams MA(Hons), CA

Senior Statutory Auditor,

RSM UK Audit LLP

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

Third Floor, Centenary House,

69 Wellington Street,

Glasgow,

G2 6HG

23 September 2019

Statement of Financial Activities (including Income and Expenditure Account): Year Ending 31 March 2019

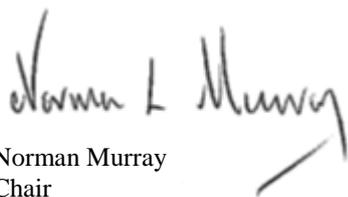
	Note	Unrestricted funds		Restricted funds	2019 Total	2018 Total
		General £	Designated £	£	£	£
Income and endowments						
Grants, donations and legacies	5	4,600,356	-	517,813	5,118,169	4,934,068
Charitable activities	6	2,213,718	-	226,187	2,439,905	2,665,889
Income from other trading activities	7	139,582	-	203,165	342,747	252,205
Investments		7,651	-	-	7,651	4,543
Other income	8	78,482	-	-	78,482	-
Total income and endowments		<u>7,039,789</u>	<u>-</u>	<u>947,165</u>	<u>7,986,954</u>	<u>7,856,705</u>
Expenditure						
Raising funds	9	(372,939)	-	(35,542)	(408,481)	(402,100)
Charitable activities	10	(7,014,950)	(74,500)	(433,863)	(7,523,313)	(7,338,874)
Other Expenditure	11	(500,000)	-	-	(500,000)	-
Total expenditure		<u>(7,887,889)</u>	<u>(74,500)</u>	<u>(469,405)</u>	<u>(8,431,794)</u>	<u>(7,740,974)</u>
Net (expenditure)/income before theatre tax relief and transfers		(848,100)	(74,500)	477,760	(444,840)	115,731
Theatre tax relief		426,932	-	-	426,932	252,104
Net (expenditure)/income		<u>(421,168)</u>	<u>(74,500)</u>	<u>477,760</u>	<u>(17,908)</u>	<u>367,835</u>
Transfers between funds	29, 30,31	425,476	(402,976)	(22,500)	-	-
Net movement in funds	14	<u>4,308</u>	<u>(477,476)</u>	<u>455,260</u>	<u>(17,908)</u>	<u>367,835</u>
Reconciliation of funds						
Total funds brought forward	29, 30,31	<u>(2,398,969)</u>	<u>10,665,256</u>	<u>212,427</u>	<u>8,478,714</u>	<u>8,110,879</u>
Total funds carried forward	29, 30,31	<u>(2,394,661)</u>	<u>10,187,780</u>	<u>667,687</u>	<u>8,460,806</u>	<u>8,478,714</u>

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

Balance Sheet At 31 March 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	18	9,378,524	9,573,802
Current assets			
Stocks		38,328	32,339
Debtors	19	1,223,556	737,967
Cash at bank	20	2,078,861	2,660,302
		<u>3,340,745</u>	<u>3,430,608</u>
Current liabilities: Amounts falling due within one year			
Creditors	21	(712,547)	(827,663)
		<u>2,628,198</u>	<u>2,602,945</u>
Net current assets			
Creditors: Amounts falling due after more than one year			
Creditors	22	(3,545,916)	(3,698,033)
		<u>8,460,806</u>	<u>8,478,714</u>
Net assets			
Reserves			
Restricted funds	29	667,687	212,427
Designated funds	30	10,187,780	10,665,256
Income and expenditure account	31	(2,394,661)	(2,398,969)
		<u>8,460,806</u>	<u>8,478,714</u>

The financial statements were authorised for issue and approved by the directors on 18 September 2019 and are signed on their behalf by:



Norman Murray
Chair

Company No: SC065497

The notes on pages 24 to 38 form part of these financial statements

Cash Flow Statement: Year Ending 31 March 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/generated from operating activities	33	(305,654)	875,676
Cash flows from investing activities			
Interest receivable		7,651	4,543
Proceeds from sale of fixed assets		3,333	-
Payment to acquire tangible fixed assets		(116,164)	(141,631)
Net cash used in investing activities		<u>(105,180)</u>	<u>(137,088)</u>
Cash flows from financing activities			
Repayment of loan		(151,360)	(150,607)
Loan Interest paid		(19,247)	(20,000)
Net cash (used in) financing activities		<u>(170,607)</u>	<u>(170,607)</u>
(Decrease)/Increase in cash in the year		<u>(581,441)</u>	<u>567,981</u>
Cash and cash equivalents at 1 April 2018	20	<u>2,660,302</u>	<u>2,092,321</u>
Cash and cash equivalents at 31 March 2019	20	<u><u>2,078,861</u></u>	<u><u>2,660,302</u></u>

The notes on pages 24 to 38 form part of these financial statements

Notes to the Financial Statements: Year Ending 31 March 2019

1. General information

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

The principal activity of Scottish Ballet is to produce and present ballet 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. Scottish Ballet meets the definition of a public benefit entity under FRS102. 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 company's financial statements unless otherwise stated.

Basis of accounting

The financial statements are prepared under the historical cost convention.

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. Based on confirmed grant awards and other income and expenditure expectations for 2019/20, 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.

Notes to the Financial Statements: Year Ending 31 March 2019

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 company 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 company; this is normally upon notification of the interest paid or payable by the bank.
- Where donors specify that grants, donations or legacies must be used in future accounting periods, the income is deferred until those periods. When donors impose conditions which have to be fulfilled before the charitable company become entitled to the income, this income is deferred until the conditions have been met.

Government grants

Government grants are recognised when the company 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 company and include the audit fees and costs linked to the strategic management of the company.
- 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 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.

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.

Notes to the Financial Statements: Year Ending 31 March 2019

3. Principal Accounting Policies (continued)

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:

Long Lease Property & Buildings	2%	straight line
Office adaptations, vehicles & equipment (including Computer equipment)	20%-25%	straight line
Musical instruments	10%	straight line

Stocks

Stock consists of dancers shoes and merchandising items for sale and is stated at the lower of cost and net realisable value. The net realisable value of shoe stock is based on the future service potential provided by the items of stock.

Financial instruments

The company 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.

Notes to the Financial Statements: Year Ending 31 March 2019

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, the 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 £	2019 £	2018 £
Scottish Government funding	4,369,000	-	4,369,000	4,436,800
Donations	231,356	517,813	749,169	497,268
	<u>4,600,356</u>	<u>517,813</u>	<u>5,118,169</u>	<u>4,934,068</u>

6. Charitable activities

Box office, touring and productions	2,062,443	91,114	2,153,557	2,518,082
Friends Membership Scheme	33,307	-	33,307	26,944
Education	117,968	135,073	253,041	120,863
	<u>2,213,718</u>	<u>226,187</u>	<u>2,439,905</u>	<u>2,665,889</u>

7. Income from other trading activities

Sponsorship	55,000	203,165	258,165	129,745
Other	84,582	-	84,582	122,460
	<u>139,582</u>	<u>203,165</u>	<u>342,747</u>	<u>252,205</u>

Notes to the Financial Statements:
Year Ending 31 March 2019

8. Other income

	Unrestricted £	Restricted £	2019 £	2018 £
Insurance Claim	31,615	-	31,615	-
Gain on disposal of fixed assets	3,333	-	3,333	-
Gain on exchange	43,534	-	43,534	-
	<u>78,482</u>	<u>-</u>	<u>78,482</u>	<u>-</u>

9. Expenditure on raising funds

Development resources	324,671	35,542	360,213	327,140
Cost of goods	48,268	-	48,268	74,960
	<u>372,939</u>	<u>35,542</u>	<u>408,481</u>	<u>402,100</u>

10. Charitable activities

Box office, touring and productions	5,633,270	380,990	6,014,260	6,043,345
Education	679,446	52,873	732,319	491,027
Support Costs (note 12)	776,734	-	776,734	804,502
	<u>7,089,450</u>	<u>433,863</u>	<u>7,523,313</u>	<u>7,338,874</u>

11. Other Expenditure

Donation to Scottish Ballet Endowment Fund (SBEF)	500,000	-	500,000	-
	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>-</u>

12. Support costs

	Box office, touring and productions £	Education £	2019 Total £	2018 Total £	Basis of Apportionment
Staff costs	422,326	35,642	457,968	407,728	Staff time
Other costs	254,705	34,118	288,823	369,083	Expenditure
Governance costs (note13)	26,406	3,537	29,943	27,691	Expenditure
	<u>703,437</u>	<u>73,297</u>	<u>776,734</u>	<u>804,502</u>	

Notes to the Financial Statements:
Year Ending 31 March 2019

13. Governance costs	2019	2018
	£	£
Health and safety	8,962	7,133
Audit fees	13,500	13,880
Other professional fees	7,481	6,678
	<u>29,943</u>	<u>27,691</u>
	<u><u>29,943</u></u>	<u><u>27,691</u></u>
14. Net movement in funds	£	£
Net movement in funds are stated after charging/(crediting):		
Depreciation	311,442	317,620
Auditor's remuneration		
Audit fees	13,500	13,880
Non-audit – taxation advice	4,071	2,580
Operating leases	12,243	13,828
(Gain)/Loss on disposal of fixed asset	(3,333)	489
Interest receivable	(7,651)	(4,543)
Cost of stock	29,131	42,192
	<u>29,131</u>	<u>42,192</u>
	<u><u>29,131</u></u>	<u><u>42,192</u></u>
15. Employees	2019	2018
	No	No
The average number of staff employed by the company during the financial year amounted to:	97	90
	<u>97</u>	<u>90</u>
The average full-time equivalent staff during the financial year amounted to:	91	85
	<u>91</u>	<u>85</u>
	<u><u>91</u></u>	<u><u>85</u></u>
	2019	2018
	£	£
The aggregate payroll costs of the above were:		
Wages and salaries	3,214,000	2,917,263
Social security costs	274,919	257,040
Other pension costs	192,119	177,103
	<u>3,681,038</u>	<u>3,351,406</u>
	<u><u>3,681,038</u></u>	<u><u>3,351,406</u></u>

Notes to the Financial Statements: Year Ending 31 March 2019

16. Directors and employees emoluments

	2019 No.	2018 No.
The number of employees whose emoluments amounted to over £60,000 in the year, including royalty payments, was as follows:		
£80,001 - £90,000	-	2
£90,001 - £100,000	1	-
£110,001 - £120,000	1	-
 The number of employees with emoluments in excess of £60,000 with retirement benefits accruing in a money purchase scheme was:	 2	 2
	<hr/> <hr/>	<hr/> <hr/>
	2019 £	2018 £
The employer's pension contributions in respect of the above employees amounted to:	13,938	13,581
	<hr/> <hr/>	<hr/> <hr/>

17. Directors and key management personnel

	2019 £	2018 £
Remuneration in respect of directors was as follows:		
Emoluments receivable	168,124	164,024
Royalty payments	28,373	-
Employers NIC	20,147	19,445
Pension contributions to a defined contribution scheme	13,938	13,581
	<hr/> <hr/>	<hr/> <hr/>
	230,582	197,050

The above emoluments represent payments made for services from the Chief Executive Officer/ Artistic Director and the Executive Director.

The amounts paid to the highest paid director was as follows:

Emoluments receivable	84,062	82,012
Royalty Payments	28,373	-
Employers NIC	10,190	9,722
Pension contributions to a defined contribution scheme	6,969	6,791
	<hr/> <hr/>	<hr/> <hr/>
	129,594	98,255

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

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

During the year 6 directors were reimbursed for travel expenses totalling £28,698 (2018: 6 directors, £20,559): 4 non-executive directors amounting to £2,968 (2018: 4 directors, £2,800); and 2 executive directors amounting to £25,733 (2018: 2 directors, £17,759). Executive Director expenses include travel expenses incurred in the course of the company's national and international tours.

Notes to the Financial Statements:
Year Ending 31 March 2019

18. Tangible fixed assets

	Long leasehold property	Office Adaptations, vehicles & equipment	Musical instruments	Total
	£	£	£	£
Cost				
At 1 April 2018	11,373,783	1,321,799	57,893	12,753,475
Additions	-	116,164	-	116,164
Disposals	-	(10,000)	-	(10,000)
	<u>11,373,783</u>	<u>1,427,963</u>	<u>57,893</u>	<u>12,859,639</u>
At 31 March 2019	11,373,783	1,427,963	57,893	12,859,639
Depreciation				
At 1 April 2018	1,960,082	1,170,882	48,709	3,179,673
Charge for the year	227,475	81,871	2,096	311,442
Disposals	-	(10,000)	-	(10,000)
	<u>2,187,557</u>	<u>1,242,753</u>	<u>50,805</u>	<u>3,481,115</u>
At 31 March 2019	2,187,557	1,242,753	50,805	3,481,115
Net book value				
At 31 March 2019	<u>9,186,226</u>	<u>185,210</u>	<u>7,088</u>	<u>9,378,524</u>
At 31 March 2018	<u>9,413,701</u>	<u>150,917</u>	<u>9,184</u>	<u>9,573,802</u>

All tangible fixed assets are used for charitable purposes.

19. Debtors

	2019 £	2018 £
Trade debtors	28,817	57,887
Other debtors		
Expenditure in respect of future productions	659,010	309,406
Sundry debtors	23,421	7,359
VAT & FEU	13,448	39,785
Theatre tax relief	426,932	249,251
Prepayments	25,972	47,377
Accrued income	45,956	26,902
	<u>1,223,556</u>	<u>737,967</u>

20. Cash and cash equivalents

	2019 £	2018 £
Balances held in current accounts	58,399	477,571
Balances held in deposit accounts	2,020,462	2,182,731
	<u>2,078,861</u>	<u>2,660,302</u>

Notes to the Financial Statements:
Year Ending 31 March 2019

21. Creditors: Amounts falling due within one year	2019	2018
	£	£
Trade creditors	132,776	172,734
Other taxation and social security	65,038	66,017
Other creditors	38,031	47,442
Pension contributions	27,115	23,819
Accruals	151,360	148,911
Deferred income	146,110	217,380
Scottish Government loan	152,117	151,360
	<u>712,547</u>	<u>827,663</u>

Deferred income of £146,110 (2018: £217,380) relates to monies to which the company 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.

Deferred income	2019	2018
	£	£
At 1 April	217,380	169,300
Received in the year	142,600	206,481
Released to the SOFA in the year	(213,870)	(158,401)
At 31 March	<u>146,110</u>	<u>217,380</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.

Notes to the Financial Statements:
Year Ending 31 March 2019

22. Creditors: Amounts falling due after more than one year	2019	2018
	£	£
Scottish Government loan	3,545,916	3,698,033
	<u> </u>	<u> </u>
The Scottish Government loan has the following repayment schedule:		
Due within one year	152,117	151,360
Due within one to two years	152,877	152,117
Due within two to five years	463,234	460,929
Due in more than five years	2,929,805	3,084,987
	<u> </u>	<u> </u>
	<u>3,698,033</u>	<u>3,849,393</u>

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

23. Financial instruments	2019	2018
	£	£
Financial assets		
Cash and cash equivalents	2,078,861	2,660,302
Financial assets measured at amortised cost	98,194	92,148
	<u> </u>	<u> </u>
	<u>2,177,055</u>	<u>2,752,450</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(4,047,316)	(4,242,299)
	<u> </u>	<u> </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.

24. Related party transactions

The Chair (or Vice chair) of Scottish Ballet is one of five trustees of Scottish Ballet Endowment Fund (SBEF), as required under the constitution of SBEF.

In the event of any matters relating to SBEF being discussed at Scottish Ballet board or committee meetings, a potential conflict of interest is declared and he is recused from such discussions. Where chairing such a meeting, the chair is passed to the vice-chair.

Scottish Ballet donated £500,000 to SBEF during the year. There were no other related party transactions other than the remuneration and board expenses to the board of directors as disclosed in note 17.

Notes to the Financial Statements: Year Ending 31 March 2019

25. Leasing commitments

At 31 March 2019 the company had future commitments under non-cancellable operating leases as set out below:

	Assets other than land & buildings	
	2019	2018
	£	£
Operating leases which expire:		
Not later than one year	6,303	11,044
Later than one year and not later than five years	11,940	18,469
	18,243	29,513
	18,243	29,513

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.

26. 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. These funds were fully spent during the year to 31 March 2019.

27. Pensions

Defined Contribution Scheme

The company 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 £55,251 (2018: £56,391).

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 £133,610 (2018: £115,372).

Pension contributions totalling £3,258 (2018: £2,958) were paid directly to an employee's personal pension plan.

28. Contingent liabilities

There were no contingent liabilities at 31 March 2019 (2018: £nil).

Notes to the Financial Statements: Year Ending 31 March 2019

29. Restricted funds – Movements in the year

	At 1 April 2018 £	Income and endowments £	Expenditure £	Transfers £	At 31 March 2019 £
Productions	144,627	812,092	(416,532)	-	540,187
Education	27,870	135,073	(52,873)	-	110,070
Capital Equipment Grant 17/18	22,500	-	-	(22,500)	-
Rita Dow	17,430	-	-	-	17,430
	<u>212,427</u>	<u>947,165</u>	<u>(469,405)</u>	<u>(22,500)</u>	<u>667,687</u>

The productions and education restricted reserves relate to funding received towards specific productions and projects. The balances held in reserves reflect funding received, not expended in the year.

Two capital equipment grants were received in March 2018 from the Scottish Government to assist Scottish Ballet in the upgrading of building premises and IT and 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 2019, the grant was fully spent.

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 (2018: £nil).

30. Designated Funds – Movements in the year

	At 1 April 2018 £	Income and endowments £	Expenditure £	Transfers £	At 31 March 2019 £
Tramway Capital Reserve	9,413,701	-	-	(227,476)	9,186,225
Pension Loan Reserve	901,492	-	-	(400,000)	501,492
Dancers' Health & Wellbeing Reserve	50,063	-	(24,500)	24,500	50,063
Brand Campaign Reserve	50,000	-	(30,000)	-	20,000
Digital Production Initiative Reserve	30,000	-	-	100,000	130,000
Digital Archiving Reserve	20,000	-	(20,000)	-	-
50 th Anniversary Reserve	100,000	-	-	-	100,000
Building Refurbishment Reserve	100,000	-	-	100,000	200,000
	<u>10,665,256</u>	<u>-</u>	<u>(74,500)</u>	<u>(402,976)</u>	<u>10,187,780</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 (2018: £227,476) was transferred from this fund to unrestricted reserves in the year to match against the depreciation charge in respect of SBHQ at Tramway.

Following the discharge from the Defined Benefit Pension Scheme in March 2017, £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. Scottish Ballet has now incorporated the pension loan repayments in the annual expenditure budget and with the additional safeguard of legacy support from Scottish Ballet Endowment Fund (SBEF), the need to maintain such a designation is reduced. The Pension Loan Reserve has been partially released to unrestricted reserves following the donation made to SBEF in 2018/19 and will be reviewed annually for sufficiency going forward.

Dancers' Health & Wellbeing Reserve represents funds designated over a number of years for the provision of additional and improved facilities for employees. Funds were expended during the year and further designation made to maintain the balance of reserves. This reserve is anticipated to be fully released in 2019/20 as Health & Wellbeing is established within annual expenditure budget.

Notes to the Financial Statements: Year Ending 31 March 2019

30. Designated Funds – Movements in the year (continued)

Scottish Ballet’s brand campaign reserve was established to coincide with the company’s 50th anniversary. Funds were partially expended during the year and are anticipated to be fully released in 2019/20.

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 Digital Production Initiative Reserve represents funds designated for establishing future digital production concepts and to seize potential future opportunities to promote Scottish Ballet across digital platforms, in particular towards the prospect of capturing Snow Queen 2019 for potential broadcast.

Reserves have been expended during the year from the Digital Archiving Project Reserve, which was established to protect and make available historical work currently on film or VHS for future reference, and as part of the company strategic plan. This project, in conjunction with National Libraries of Scotland, is an opportunity for Scottish Ballet to make our extensive library of the Company’s history accessible for both study and enjoyment. This project is expected to be completed by March 2020.

The 50th 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 and promotion 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, expected to be spent during 2019/20.

The Building Refurbishment Reserve has been established to cover any future costs relating to Tramway, in particular the structure and roof, as it reaches its 10th anniversary. A further £100,000 has been designated in 2018/19, in anticipation of a componentisation and replacement review of the structure and ageing of the premises and major components, over the next 5 years.

31. Unrestricted Funds - Movement in the year

	General Unrestricted funds £	Pension Unrestricted funds £	Total Unrestricted funds £
Income and endowments	7,039,789	-	7,039,789
Expenditure	(7,887,889)	-	(7,887,889)
Theatre Tax Relief	426,932	-	426,932
	<u>(421,168)</u>	<u>-</u>	<u>(421,168)</u>
Transfers:			
Release from capital equipment grant reserve 17/18	22,500	-	22,500
Release from Tramway capital reserve	227,476	-	227,476
Release to pension loan reserve	400,000	-	400,000
Release to pension unrestricted reserve	(150,607)	150,607	-
Designated to dancers’ health and wellbeing	(24,500)	-	(24,500)
Designated to digital production initiative reserve	(100,000)	-	(100,000)
Designated to building refurbishment reserve	(100,000)	-	(100,000)
	<u>(146,299)</u>	<u>150,607</u>	<u>4,308</u>
At 1 April 2018	<u>1,450,424</u>	<u>(3,849,393)</u>	<u>(2,398,969)</u>
At 31 March 2019	<u><u>1,304,125</u></u>	<u><u>(3,698,786)</u></u>	<u><u>(2,394,661)</u></u>

Notes to the Financial Statements:
Year Ending 31 March 2019

32. Analysis of net assets between funds

	General unrestricted funds £	Designated funds £	Restricted funds £	Total £
Tangible fixed assets	192,298	9,186,226	-	9,378,524
Cash and cash equivalents	409,620	1,001,554	667,687	2,078,861
Other net current liabilities	549,337	-	-	549,337
Long term liabilities	(3,545,916)	-	-	(3,545,916)
	<u>(2,394,661)</u>	<u>10,187,780</u>	<u>667,687</u>	<u>8,460,806</u>

33. Notes to cash flow statement

	2019 £	2018 £
Reconciliation of net income/(expenditure) to net cash provided by operating activities		
Net income/(expenditure)	(17,908)	367,835
Interest receivable	(7,651)	(4,543)
Interest paid	19,247	20,000
Depreciation	311,441	317,620
Loss/(gain) on disposal	(3,333)	489
Decrease/(increase) in stocks	(5,989)	4,401
Decrease/(increase) in debtors	(485,589)	20,967
Increase/(decrease) in creditors	(115,872)	148,907
	<u>(305,654)</u>	<u>875,676</u>
Net cash generated from/(used in) operating activities	<u>(305,654)</u>	<u>875,676</u>

Notes to the Financial Statements:
Year Ending 31 March 2019

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

	Unrestricted funds		Restricted funds	2018 Total
	General	Designated	funds	Total
	£	£	£	£
Income and endowments				
Grants, donations and legacies	4,492,229	-	441,839	4,934,068
Charitable activities	2,373,048	-	292,841	2,665,889
Income from other trading activities	122,460	-	129,745	252,205
Investments	4,543	-	-	4,543
Other income	-	-	-	-
Total income and endowments	<u>6,992,280</u>	<u>-</u>	<u>864,425</u>	<u>7,856,705</u>
Expenditure				
Raising funds	(366,798)	-	(35,302)	(402,100)
Charitable activities	(6,493,518)	(100,000)	(745,356)	(7,338,874)
Total expenditure	<u>(6,860,316)</u>	<u>(100,000)</u>	<u>(780,658)</u>	<u>(7,740,974)</u>
Net (expenditure) / income before theatre tax relief and transfers	131,964	(100,000)	83,767	115,731
Theatre tax relief	252,104	-	-	252,104
Net (expenditure) / income	<u>384,068</u>	<u>(100,000)</u>	<u>83,767</u>	<u>367,835</u>
Transfers between funds	(11,205)	92,524	(81,319)	-
Net movement in funds	<u>372,863</u>	<u>(7,476)</u>	<u>2,448</u>	<u>367,835</u>