



(a company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 March 2021

Company Number: SC234270

Charity Number: SC033377

NATIONAL THEATRE OF SCOTLAND

Report and Financial Statements

For the year ended 31 March 2021

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NATIONAL THEATRE OF SCOTLAND

Chair's Statement

For the year ended 31 March 2021

This is a challenging year to reflect upon. As the world battled against the worst pandemic since the start of the 20th Century, the theatre sector was not spared and found itself in an unprecedented crisis. Performances were cancelled, venues closed and freelance theatre makers, in particular, found themselves in a precarious situation.

In this context, National Theatre of Scotland benefited greatly from its financial security, supported by its core funder, the Scottish Government. The Company was able to honour all the contracts for the tours that had to be cancelled, supporting hundreds of freelancers. It also ran a fundraising campaign in association with the Federation of Scottish Theatre, the McGlashan Charitable Trust and leading Scottish theatre organisations, to raise money for those most affected, be they actors, writers, creatives, musicians, technicians or others working within the industry.

The inherent flexibility of National Theatre of Scotland's unique 'Theatre Without Walls' model meant that the Company was able to switch quickly to digital delivery. **Scenes for Survival** was an extraordinary example of NTS ability to innovate, even in the most difficult of circumstances: a season of 55 commissioned digital theatre pieces involving over 200 artists and creatives working together from their personal spaces of isolation. Other films and digital works followed - including **Ghost Light, Lament for Sheku Bayoh, Rapunzel, Adam** - and this inspired online programme engaged with audiences across Scotland, reached into schools, care homes and hospitals, employed hundreds of freelance artists and had more than 20 million views worldwide. Some strong partnerships made it possible, with creatives and organisations in the theatre sector, as well as new fruitful collaborations with the BBC and film production companies.

What also made it possible was the extraordinary commitment, tenacity and vision of the NTS team led by Jackie Wylie for which we are all hugely grateful. It has been a hugely challenging year for everybody involved in NTS and I can only thank them all for the way they have supported each other and sustained the NTS mission.

The pandemic coincided with profound civic movements that challenged current structures and establishment: The Black Lives Matter campaign, the continuation of the 'Me Too' movement, the mobilisation of freelance workers in the creative sector and the spotlight which the pandemic itself shone on the climate crisis. As Scotland's national company we have a responsibility to engage urgently with all these challenges and where appropriate provide sector leadership. We have, for example, embarked on a transformational journey to become an anti-racist organisation and I would like to commend the staff and the board for their unreserved openness and commitment to creating long-lasting systemic change within the organisation and the sector. The National Theatre of Scotland is also committed to being an innovator and a sector leader in the fight against climate change with our intent and determination embodied in our ambitious Green Plan.

I would like to express our thanks to Fiona Hyslop for her positive and sustained support during her 12 years as Culture Minister. The Board and I are looking forward to working with Angus Robertson MSP, Cabinet Secretary for the Constitution, External Affairs and Culture, and Jenny Gilruth MSP, Minister for Culture, Europe and International Development. In continuing to position culture at the heart of Scottish public life and central to Scotland's identity on the world stage.

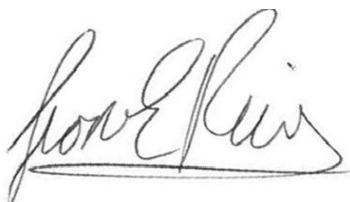
As a registered charity, we also rely on the support of our Donors and Supporters, whether individuals, trusts and foundations or corporate sponsors, nationally and internationally. Their generosity is crucial to delivering the full range of our work from creative engagement with schools and communities, to the development of artistic talent, and a programme of theatre which reaches into all our communities and every part of our nation. The ambitions we have are only possible with their continued commitment and support which we value greatly.

NATIONAL THEATRE OF SCOTLAND

Chair's Statement

For the year ended 31 March 2021

The arts must be central to a post Covid recovery plan, bringing solace, joy, and a sense of community but also providing a vehicle to explore, question and challenge. National Theatre of Scotland, I believe, can be all those things and can have a truly positive impact on Scottish society, and beyond, as we emerge from an extraordinary period which has changed us all.

A handwritten signature in black ink, appearing to read 'Seona Reid', with a horizontal line underneath the name.

Seona Reid DBE
Chair

23 September 2021

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2021

The directors have pleasure in presenting the Director's Report (incorporating the Strategic Report) for the year ended 31 March 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the financial statements and comply with the company's memorandum and articles of association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Principal activity

The principal activities of the National Theatre of Scotland and the National Theatre of Scotland Productions Limited during the year continued to be the commissioning, development, production and promotion of theatrical works and performances.

Objectives and Activities

The National Theatre of Scotland is dedicated to playing the great stages, arts centres, village halls, schools and site-specific locations of Scotland, the UK and internationally. As well as creating ground-breaking productions and working with the most talented theatre-makers, the National Theatre of Scotland produces significant community engagement projects, innovates digitally and works constantly to develop new talent. Central to this is finding pioneering ways to reach current and new audiences and to encourage people's full participation in the Company's work. With no performance building of its own, the Company works with existing and new venues and companies to create and tour theatre of the highest quality. Incorporated in 2002 before its inaugural programme in 2006, the Company has, in its short life, become a globally significant theatrical player, with an extensive repertoire of award-winning work.

The National Theatre of Scotland is core funded by the Scottish Government

A THEATRE WITHOUT WALLS

We take our work to wherever audiences are to be found. We showcase Scottish culture at home and around the world, telling stories in ways never seen before.

A THEATRE FOR EVERYONE

We aim to break down the walls that prevent people from engaging with our work, whether economic, cultural or physical.

A CREATIVE CATALYST FOR THE THEATRE SECTOR IN SCOTLAND

We produce joined-up talent development plans with partners across Scotland, seeking to nurture theatre makers at all stages of their careers and reflect the diversity of contemporary Scotland.

WE ARE...

... on the ferry and in the local pub. In the forests and tower blocks. In submarines and swimming pools. On the biggest stages and in the smallest community halls.

MISSION

To make exceptional, audacious, collaborative theatre that represents the complexity of modern Scotland, and to take that theatre to our communities and to the world.

VISION

To be a 21st century theatre without walls for everyone, one that puts Scotland on the world stage and places culture at the heart of society.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2021

Our activities are aligned and aims and objectives set to deliver against our Company's mission, "to promote and assist in the advancement of education in Scotland by encouraging, fostering and developing interest, knowledge, understanding, appreciation and participation in, the arts of drama, acting, theatre and stagecraft in all their forms.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2021

THIS YEAR IN SUMMARY

AUDIENCE REACH

Digital Artworks and Episodes - free online access

20,030,011 views

in more than 50 countries across the world

63 short films
(15 min or less)
16 episodes of
Poetry and Music (60 min +)
1 film commissioned by Edinburgh
International Festival (30 min)

Digital Artworks - ticketed access

43,122 people viewed

(including at 20 film festivals, and free screenings
at schools, hospitals and care homes)

7 long form films
6 short films

Broadcast

112,342 views

1 screen
adaptation
of a play (60 min)
18 short films

Music

57,951 downloads
and streams

2 albums
1 single

Podcasts

15,626 listens

12 episodes

2020/21 AWARDS

CRITICS' AWARDS FOR THEATRE IN SCOTLAND 2020

BEST FEMALE PERFORMANCE

Anna Russell Martin
(The Panopticon)

BEST MUSIC AND SOUND

Matthias Hermann
(Thank You Very Much)

BEST ENSEMBLE

Thank You Very Much

RNIB SEE DIFFERENTLY AWARDS 2020

CORONAVIRUS HEROES BEST CORPORATE RESPONSE

National Theatre of Scotland
(Scenes for Survival)

BREAKOUT FESTIVAL 2021

MONTHLY AWARD

Danni the Champion
(Part of Scenes for Survival)

NATIONAL THEATRE OF SCOTLAND

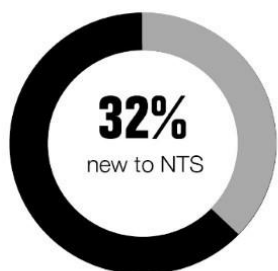
Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2021

EMPLOYMENT

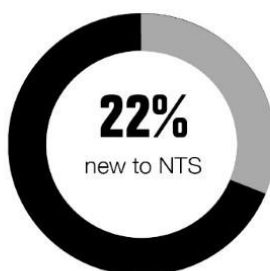
Directors

75 directors
employed



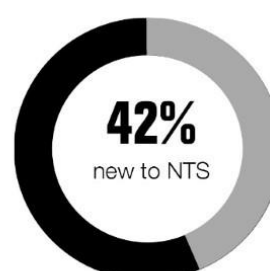
Writers

114 writers
employed



Actors

196 actors
employed
402 weeks of
employment



Stage Management

34 stage
managers
employed

162 stage
manager's
weeks

Technical Staff

47 technical
staff employed

In total, National Theatre of Scotland

contracted:

651 freelancers

and employed:

276 actors, stage managers
and technical staff

We made work with:

49 partners

Work was created in:

28 towns and cities

Across:

14 countries

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2021

Strategic Report

Achievements and performance

2020/2021 is the third year of new strategic plan (2018-23), which sets out four main strategic priorities:

1. Create Meaningful and Innovative Theatre

When the COVID-19 crisis struck in March 2020, the National Theatre of Scotland recognised early on that as a 'Theatre without Walls' we were uniquely placed to respond to the crisis that was to deeply affect the creative industries.

Despite having to cancel all remaining performances in 2020, the Company used its inherently flexible model to continue to serve audiences, delivering a full digital programme of new work in order to offer joy and connection in these difficult times.

This programme was also designed to support a stricken theatre sector, creating employment opportunities for Scottish artists and theatre-makers, as well as launching a hardship fund for those most in need.

Scenes for Survival was a series of short theatrical artworks, each created by a quarantine team of Scottish theatre-makers and filmed in 20 different locations, including Stornoway, New York, Seoul and Motherwell. The 55 films offered close-up, intimate portraits of lives in lockdown and told extraordinary stories of love, loss and longing, free for audiences everywhere.

The project was delivered in association with BBC Scotland, Screen Scotland, BBC Arts' Culture in Quarantine project, and Scotland's leading theatre venues and companies, with support from Hopscotch Films.

Three scenes were released online and on social media weekly from mid-May to September, receiving over 19 million views to date, creating much-needed opportunities for hundreds of artists, and enabling theatre organisations and artists to continue to connect with an audience.

"what the NTS has achieved... is to raise the bar decisively in terms of the sheer artistry that can be brought to bear on that short-format screen form... already creating a body of work that fairly takes the breath away in the range of themes and concerns it explores, and the depth of acting, writing and film-making talent on which it draws."

The Scotsman

A selection of films were also shown on BBC Scotland and were available on BBC iPlayer.

National Theatre of Scotland partnered with celebrated Scots Makar Jackie Kay to present a free weekly one-hour online series, Makar to Makar, which showcased a line-up of established literary and music talent and emerging voices from Scotland and around the world.

"Beautiful poetry, singing and chat amongst friends. I laughed and cried with you all. Thank you, very special."

Audience feedback

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2021

Achievements and performance - continued

In August, the National Theatre of Scotland produced a love letter to Scottish theatre, ***Ghost Light***, in the form of a 30-minute film by award-winning director Hope Dickson Leach which premiered online as part of the Edinburgh International Festival's *My Light Shines On* series.

Commissioned by EIF and created under Covid-19 compliant conditions at the Festival Theatre, Edinburgh, the film has been celebrated for its stunning evocation of theatre past, present and future, featuring a line-up of extraordinary Scottish theatre talent.

"a feast of dreams from the National Theatre of Scotland"

★★★★★ The Guardian

"the industry needed a champion to step up and show the world why it is not just important, but vital. The National Theatre of Scotland has done just that..."

★★★★★ The Stage

"the most absolutely beautiful evocation of theatre that anyone who loved that artform could wish to see" Joyce McMillan, Front Row/Radio 4

Hannah Lavery's theatrical exploration of race, identity and the death of Sheku Bayoh in police custody in 2015, ***Lament for Sheku Bayoh***, was performed on stage at Edinburgh's Lyceum Theatre and streamed to audiences at home on 20 and 21 November 2020. A National Theatre of Scotland, Edinburgh International Festival and Royal Lyceum Theatre Edinburgh co-production, it was written and directed by acclaimed spoken word artist and theatre-maker Hannah Lavery. The work was originally commissioned and presented as a rehearsed reading by the Royal Lyceum Theatre Edinburgh, supported by the Edinburgh International Festival as part of the 2019 International Festival's *You Are Here* strand.

"Timely and necessary... both beautifully staged and unerringly brutal."

★★★★★ The Stage

"disquieting, profoundly affecting and humbling piece of theatre."

★★★★★ All Edinburgh Theatre

Inspired by the life of Adam Kashmiry, ***Adam*** tells the remarkable story of a young trans man and his struggle across genders and borders to be himself. Originally a multi-award-winning stage play, ***Adam*** was reinvented as a compelling, theatrical on-screen drama with a specially adapted script from Frances Poet and directed by Cora Bissett and Louise Lockwood. The film was commissioned by BBC Scotland and BBC Arts, presented by the National Theatre of Scotland and Hopscotch Films and premiered on BBC Scotland on the 6 March 2021, followed by a BBC4 broadcast as part of BBC Arts 'Lights Up' for New Culture in Quarantine Season in April 2021.

"this show should be added to the school curriculum"

★★★★★ A Younger Theatre

"stirring and emotive TV adaptation of an important global story about identity and belonging" ★★★★★ The List

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2021

Achievements and performance – continued

With pantos across the country cancelled, we partnered with Scottish panto legend Johnny McKnight and Historic Environment Scotland to create a very special digital festive show, **Rapunzel**, packed full of songs and filmed in the beautiful surrounds of Stirling Castle. The film was written by seven Scottish writers, Apphia Campbell, Johnny McKnight, Uma Nada-Rajah, Morna Pearson, Stef Smith, Meghan Tyler and Anita Vettesse, original songs by Audrey Tait and Lauren Gilmour (Novasound), and directed by Stewart Kyasimire, recently nominated for a Scottish BAFTA for his BBC TV documentary *Black and Scottish*.

Rapunzel was going to be available for audiences in selected independent cinemas and arts centres across Scotland but with a tightening of the restrictions during the Christmas period we turned to an online distribution, with a 'pay what you wish model' so there would not be any financial barriers to access the show. **Rapunzel** was also offered free to schools, hospitals and care homes across the country, to bring a 'Covid safe' form of entertainment and a bit of solace and joy to what was an isolated and difficult festival season for a lot of people in Scotland.

"Genuinely touching and hysterically funny"

★★★★★ Broadway World

"An exuberant musical box of treats"

★★★★★ The Guardian

Whilst we were unable to perform in schools with **Theatre in Schools Scotland**, two companies that had been programmed for the year, Shona Reppe and Curious Seed went into development to explore how their respective shows could be developed for an online school audience. Curious Seed conducted an artist's lab to explore hybrid versions of **Chalk About** and new ideas that would both be Covid-proof and be used in future touring to reach more children and young people in more remote locations. Shona Reppe created a new digital version of **Potato Needs A Bath** for 3–5-year-olds, supported by Orkney Islands Council Arts Development team, featuring a live party and successfully tested it out on 20 schools reaching 667 children across Scotland. The success of the experiment has meant that the new digital version of the show has been programmed at The Spark Festival, Leicester, Belfast International Children's Festival and the Edinburgh International Children's Festival.

"elegantly created and perfectly executed" (Potato Needs a Bath digital)

★★★★★ The Stage

The National Theatre of Scotland's 'without walls' model means that collaboration is central to the Company's activity. The extensive programme produced and presented in 2020/21 was made possible through close working relationships with sector organisations, theatre companies, writers, directors, designers, performers, technicians, venues and freelancers. They are a critical and integral part of National Theatre of Scotland's artistic successes.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2021

Achievements and performance (continued)

2. Have a Significant Positive Impact on Society

The National Theatre of Scotland is driven by belief in the positive role that the arts can play in civic life, with the potential for personal and cultural transformation and inspiring social change. Through its work, the organisation explores big ideas, co-creates works, encourages active citizenship, broadens representation, creates opportunities for talent development, supports the Scottish theatre sector and other value-led organisations and champions environmental sustainability.

Community projects

> **Play Dates**

In response to the first lockdown, we commissioned a fun, interactive digital programme of free participatory activities and workshops in association with Starcatchers and Imagine. 35 episodes were released free online, including how to create and tell stories, how to use videos to tell stories and 'Unicorn dance parties', connecting with children and families at home while schools were off during the pandemic and gathering over 174,000 views online. Created by theatre makers and practitioners in Scotland, the series also provided fee-based employment to a number of freelance artists, technicians and makers.

> **The Coming Back Out Ball**

Throughout the year we continued our partnership with All The Queens Men, Luminate (Scotland's Creative Ageing organisation) and Eden Court Theatre, Inverness to deliver social dance clubs for older members of the lesbian, gay, bisexual, trans, intersexed plus (LGBTI+) community. One of the unexpected benefits of the pandemic has been that we extended the project for a further year, taking the monthly dance clubs online and allowing us to forge an even deeper relationship with this often-ignored community. The Dance Club Forum, which guides and shapes the project, gives the members further agency within the project and enables members to be part of shaping the legacy, has also successfully moved online. In addition to the monthly dance clubs, the elders have delivered their own additional sessions, sharing their talents with the rest of the community, including baking and origami. In the run up to the ball, which took place in June 2021, the dance club members were invited to take part in Creative Writing workshops to contribute a lasting memory to the project. Above all, the elders have found the social dance clubs a support to their health and wellbeing during the Covid-19 restrictions. An interim report commissioned by Luminate had the following responses:

"It was a godsend. It has made a huge difference to me meeting other people. It is inclusive, equality is at the heart of it. It is loads of fun and you are learning new things as well."

"It has made a tremendous difference to me coming to terms with being LGBTI+. And to feel less apprehensive about the challenges of getting older."

"It has just been a lifeline to me. The most important thing is that it continues. We're still out here! Don't forget us please!"

The health and wellbeing value of the project has also been recognised by external organisations and featured as a case study in the Promising Approaches report by the Campaign to End Loneliness and in a report by the Baring Foundation.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2021

Achievements and performance (continued)

> **Portraits of an LGBTI+ Generation**

Members of the Social Dance Club have also featured in **Portraits of an LGBTI+ Generation**, a photography and video series featuring members of the dance clubs photographed and interviewed in places that are meaningful to them. It was not possible to exhibit the portraits in physical spaces so instead they were made available online throughout the year. A physical exhibition opened at Glasgow's Gallery of Modern Art in the summer of 2021.

> **Care in Contemporary Scotland – a creative enquiry**

The Care Project is a research and development project that commenced in November 2020. Funded by Scottish Power Foundation, Rayne Foundation, John Mathers Charitable Trust, Hugh Fraser Trust and the Scottish Children's Lottery Chance to Connect, we asked artists to respond to the provocation "What does care mean in contemporary Scotland?". Over one hundred artists responded to the call, and two were funded to develop their creative enquiry. Playwright and dramaturg Nicola McCartney proposed to examine children and young people in care through the eyes of the young people themselves and the people who care for them. Founder of the Glasgow based company, 21Common, artist Lucy Gaizely proposed to work with learning disabled adults looking at the relationship to the care system they are part of. Both artists have worked intensely over a period of months with individuals who have lived experience of both systems and will present an artistic outcome to the work and research. Nicola McCartney's rehearsed reading **Holding/Holding On** and Lucy Gaizely's short film, **Non Optimum: When It's Safe To Do So** premiered on our website in July 2021.

"I've really enjoyed being a part of this work with NTS. As a Care Experienced person, it's clear that so much of the representation of our lives doesn't involve us. To be directly involved in speaking about my life through a creative process with NTS & Nicola McCartney has been really fulfilling. I've felt listened to, respected and understood. I'd like to commend the NTS for carrying out this project and doing so in an empowering way." Participant in **Holding/Holding On**, led by Nicola McCartney

"Allan has loved and looked forward to Fridays since he started on the project. He had been losing total contact with his own world as he had not seen any of his friends since February 2020. He had become quiet and withdrawn. He has enjoyed talking to everyone and sees everyone involved as his friends. It has brought him back to his old self, especially having tasks to do during the week. Meeting everyone when they came to film is something he talks about daily. It has been a lifeline for him." Participant in **Non-Optimum: When it is safe to do so**, led by Lucy Gaizely

> **Creative Careers**

Whilst it was not possible to work in schools during the year, we continued to develop our Creative Careers work with **Dream Jobs**, a series of videos aimed at children and young people, giving an insight into the career paths of key members of the National Theatre of Scotland Team. In 2020/21 eight short films were created and are available free of charge on our website.

Talent development

As Scotland's national theatre, the Company has a responsibility to support talent development that benefits the whole sector, working with and developing emerging artists, particularly those from underrepresented groups.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2021

Achievements and performance (continued)

> Artist Development

When theatres shut their doors last March, we made the decision to pause the majority of our Artist Development activities including *Engine Room*, our nationwide programme of opportunities for artists. This was partly so we could channel energy into our Covid response programme *Scenes for Survival* which offered immediate employment opportunities for artists and generated a hardship fund for those in the industry most impacted by the pandemic. We also wanted to conserve resources for artist development until it was clear what the theatre landscape post lockdown would look like, when theatres could open, who would come, how live work could be made again, and what theatre needs to be.

Lockdown has lasted longer than we anticipated and, in that time, there have been many sector-wide conversations and calls for action and change as a result of the inequality the pandemic highlighted and the surge of activism around Black Lives Matter.

Over this year we have taken the learning of the last year from our anti-racism work and training and recommendations from the work carried out by freelancers across the country to rethink a new approach to Artist Development that addresses the lack of opportunity, stability, security and inequality for artists and that speaks directly to the times we are in.

We are in the final stages of redesign, having completed paid consultations with a range of freelancers and companies representing a range of art forms, roles, and backgrounds including minority language speakers, artists of colour, disabled artists, neurodiverse and trans artists.

> Research and development

In 2020/21 we offered research assignments to 37 artists with a range of experiences to explore possible socially distanced and or digital production models. We supported the research and development of 28 new productions ranging from large scale musicals to small scale sited work for future programmes, including working in co-development partnership with Magnetic North, Grid Iron, Dundee Rep and Pitlochry Festival Theatre.

We supported two writers on attachment to develop new plays and continued to work with Writer in Residence Martin O'Connor to explore the intersection of BSL, Gaelic and Scots in his work.

We also teamed up with the Scottish Neuro-diverse Performance Network to develop plans for a *Neurostages* festival, run by and for neuro-diverse artists working in Scotland as the final stage of our long-term partnership with the Royal Conservatoire Scotland and National Autistic Society Scotland.

The Company continued to receive and consider new plays, ideas for development and co-production, supported by a paid script reading panel. In 2020 we increased the panel to 9 members to include readers of colour. We continue to work to diversify and expand this team in 2021.

Support for freelancers

Freelancers have been disproportionately affected by the pandemic, with many completely losing all sources of revenue overnight. National Theatre of Scotland, with its 'without walls' model, is intrinsically linked to the freelancer sector and we engaged with several initiatives and groups seeking to make a lasting positive change to the working and engagement conditions of freelancers. These included:

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2021

Achievements and performance (continued)

- Paying all freelancers in full for the tours that had to be cancelled due to the COVID-19 crisis.
- Setting up the **Scenes for Survival** Hardship Fund in association with the Federation of Scottish Theatre, the McGlashan Charitable Trust and leading Scottish theatre organisations, to raise money for those most affected, be they actors, writers, creatives, musicians, technicians or others working within the industry.
- Financially supporting the appointment of three freelancers to join the UK Freelancer Task Force. The aim of the Freelance Task Force is to strengthen the influence of the self-employed theatre and performance community, creating ongoing points of connection between freelancers, organisations, funders and government and amplifying the voice of the self-employed in the conversations about how we manage the response to and recovery from the Covid-19 crisis in the performing arts sector.
- Setting up a National Theatre of Scotland internal working group to progress recommendations from a report by Scottish freelancers to improve the terms and conditions for the freelancers we work with.
- Working with the Federation of Scottish Theatre, the Scottish companies who supported freelancers to be part of the Fuel Freelancers Task Force and the Scottish freelancers who were part of the task force on ways to make progress as a sector.

Anti-racism

National Theatre of Scotland acknowledges that institutional and systemic racism exists at all levels and in all facets of society, including cultural institutions. As a company currently made up of a majority of white employees and board members, we acknowledge institutional racism exists and occurs at National Theatre of Scotland. We know we have an urgent responsibility to address this and to do our part in advocating for change within the theatre sector and wider society.

On the 26 June 2020 we published a statement in support of the Black Lives Matter protests happening across the world where we outlined our intention to become an anti-racism practicing organisation, to address institutional racism within the company, and to create tangible positive anti-racist change. On the 10 September we published our staff, board and project commission stats as part of the #theatrepulluporshutup call out for transparency in the sector.

The first priority was for us to go on a learning and listening journey as an organisation. This included:

- Unconscious Bias training and Anti-Racism training with our full Board.
- Weekly anti-racism learning meetings opened to all staff and board.
- All staff participating in an anti-racism and allyship training led by D/ecology.
- Working with external facilitators to review and learn from historic and recent occurrences of institutional or systemic racism and where possible to make amends and repair any damage to staff, artists or freelancers who have been affected.

We are now in the process of creating an Action Plan, focused on the following area of activities;

- Programme and Artistic Development
- Audience and Communications
- People
- Creative Engagement and schools

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2021

Achievements and performance (continued)

This is led by an anti-racism action group and will include clear targets that will be embedded within National Theatre of Scotland's KPIs.

The National Theatre of Scotland is committed to ensuring that sustainability and protection of the environment sits at the heart of our company, our work and our ethos. Our vision is a healthy and sustainable environment that supports regeneration, adaptation and a better, caring and more collaborative world.

Concrete actions undertaken in 2020/21 include:

- Green Plan approved by Board.
- Commissioned training for Green Team in Carbon Literacy to be rolled out to all staff
- Commissioned report on energy efficiency by Zero Waste Scotland.
- Commissioned a 12kw solar panel system on the roof of Rockvilla – to be increased by end 2022 to provide total electricity use.
- Adoption of The Green Book on sustainable productions.
- All designers' contracts now have a clause which states that at least 75% of their design must come from sustainable sources and 80% of the design must be disposed of sustainably.
- Increased use of Zoom to reduce travel for meetings and design showings.
- Upgrading of our building management systems to ensure maximum energy efficiency.
- Visibility on various working groups to shape and support the sectors response to the climate crisis and to ensure culture has its place in a just and green recovery.
- Commitment to sharing of resources across the sector to enable a circular economy.

3. Reach and Engage the Broadest Possible Audience

The reach achieved in 2020/21 has been unprecedented, facilitated by the switch to digital and our broadcast partners. More than 20 million views across more than 50 countries were accumulated in the different online and social media platforms that were used to distribute the digital content during the year.

Particular attention was taken to make all the digital content as accessible as possible to all audiences. We made 38 BSL introduction videos, all our videos were captioned, and 59 videos were audio described. We were delighted to win the 2020 RNIB See Differently Awards in the Coronavirus Heroes - Best Corporate Response category for our Access work around the **Scenes for Survival** project.

We continued to connect with groups and organisations embedded in particular communities who have helped to spread the word to their networks. When price has been a significant barrier for some groups, we have offered discounted or free tickets to their members.

We have also developed 'post show type' events to offer a safe space for discussion and reflection after productions that might be triggering. These Zoom events have been well attended and appreciated by audiences.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2021

Achievements and performance (continued)

For *Rapunzel* we implemented a pay what you wish pay scale from £0 to £30, in order to make the production financially accessible to the broadest possible audience. We also partnered with care homes, care services, NHS trusts and TISS to bring a covid safe version of the production into wards, care settings and classrooms around Scotland. More than 32,790 pupils from 213 schools and 1,127 patients, residents and service users watched *Rapunzel* from 39 different organisations in their care homes, wards or with their groups.

4. Ensure the National Theatre of Scotland is a resilient and sustainable organisation

The Covid-19 global pandemic continues to have a significant operational and financial impact on a huge proportion of companies and the National Theatre of Scotland is not immune from this. The arts and culture sector, relying as it does on large gatherings of people in close proximity, has been particularly hard hit. The Company's without walls model is, at this time, its greatest asset. Without the pressure of a theatre building to maintain and the subsequent high reliance on box office and associated income, the Company has been able to rapidly adapt its model to online delivery. This has meant the Company has been able to continue to serve audiences and provide employment to freelancers in the sector when few others have. It also means the Company has been able to develop work that is ready to be presented in theatre venues as they unlock over the summer of 2021.

This ability to maintain activity will need to be balanced against a likely reduction in income beyond the 2021/22 financial year. Both the government and the philanthropic sector, key supporters for the company, are likely to find many more demands placed on a tight budget. Philanthropic support is holding up more strongly than anticipated. It is also likely that programme-based income will take time to recover. The National Theatre of Scotland has been judicious in its use of funds moving some projects and their designated funds into future years to ensure the maximum number of audience members are reached per pound invested. The Company will continue to use the flexibility demonstrated this year to ensure the organisation is as streamlined as possible while delivering for its stakeholders.

While it is covered elsewhere in this document it is worth noting that National Theatre of Scotland sees its work with freelancers, its anti-racism work and its work around environmental sustainability as key aspects of the ongoing resilience and sustainability of the organisation as a whole.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2021

Financial review

The group reported a surplus across all funds as at 31 March 2021 of £724,093 (2020: £55,519 deficit), after Theatre Tax Relief (TTR) of £54,264 (2020: £383,942). The surplus was due to a reduced level of production and development programme activity resulting from the impact of the COVID-19 pandemic throughout the year which was also reflected in reduced Theatre Tax Relief. The prior year deficit was due to the requirement to recognise (in 2019-20) some of the financial impact of cancelling 2020-21 productions soon after the year end.

The current year increase in restricted funds of £404,487 (2020: £90,069) was primarily due to the impact of COVID-19 which severely restricted production activity and associated expenditure. There was no movement in unrestricted funds (2020: £111,869 increase). This surplus will be used in full to support an enhanced programme of activity in 2021-22 and 2022-23 as COVID-19 restrictions ease and live performance returns.

Group income, excluding exceptional items, increased by £172,941 compared to the previous year, from £5,233,589 to £5,406,530. Group expenditure, excluding exceptional items, fell from £5,420,785 in 2019-20 to £4,742,641, reflecting the reduction in scale and profile of our programme of activity during the year (for prior year comparison purposes exceptional items have been excluded). As always, the largest element of the income for the year was our Scottish Government core grant of £4,174,000.

During the year, the company led a fundraising campaign in association with The Federation of Scottish Theatre, The McGlashan Charitable Trust and leading Scottish theatre organisations, to raise money for the COVID-19 Hardship Fund, supporting artists most affected by the pandemic. Funds raised of £33,000 were passed to The McGlashan Charitable Trust for distribution. Given the role of the company in this one-off campaign, this was deemed to be outwith the regular activities of the company. The income and associated expenditure are therefore shown as exceptional items. The net impact of these items in 2020-21 is nil. Prior year exceptional items arose from the recognition of income and expenditure on cancelled productions and had a net adverse impact of £252,265 in 2019-20.

The Board continue to consider the implications of the COVID-19 crisis on the Company and its environment. Their response to the crisis has evolved over the course of the year. This includes more focus on re-forecasting to monitor the developing financial impact on the organisation; accessing Government financial support initiatives such as the Coronavirus Job Retention Scheme which helped ensure that jobs were preserved; reviewing the unrestricted reserves policy to ensure it remains appropriate to the changing economic outlook, and maintaining a close dialogue with the Scottish Government as our main funder. In addition, the Board has focused on how the Company can provide support to the wider theatre sector. Alongside the continuation of digital work in 2021/22, attention is focused on the return to live performance in line with the easing of restrictions and the creation of a full programme for 2022/23.

Reserves policy

Prior to the impact of COVID-19 on our activity, the level of unrestricted reserves permitted by the Scottish Government, excluding those reserves relating to fixed assets, was up to 10% of projected turnover. Our projected earned income continues to be significantly lower due to COVID-19 restrictions and, therefore, does not reflect our true level of turnover for the purposes of this measurement. We have therefore calculated the average turnover over the 5-year period to 31 March 2019 (avoiding any COVID-19 distortion) and, in agreement with the Scottish Government, use this as the basis of the unrestricted reserves threshold. This threshold equates to £684k.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2021

Financial review (continued)

Actual free unrestricted reserves as at 31 March 2021 were £642,401 (2020: £642,401). Total reserves as at 31 March 2021 were £6,260,350 (2020: £5,536,257). Total reserves are distorted by the high level of designated property funds of £4,017,066 (2020: £4,199,238).

Investment policy

The company's level of reserves requires an investment policy which prioritises accessibility of funds whilst maximising interest income where possible. A mixture of instant access, fixed notice and fixed term deposits is used to achieve this balance.

Taxation

The company is a registered charity and is recognised as such by HM Revenue and Customs for taxation purposes. During the year, the charity submitted a nil return for corporation tax for the year 2019/20. A corporation tax return for the financial year 2019/20 was also submitted through the trading subsidiary to access theatre tax relief.

Relationship with Scottish Government

From 1 April 2007 the National Theatre of Scotland has received core funding directly from the Scottish Government.

Trading subsidiary

In March 2015, the Board approved the establishment of a wholly owned subsidiary, National Theatre of Scotland Productions Ltd (SC492495). The subsidiary was acquired on 1 April 2015 as a production vehicle for the producing, running and closing of certain productions. The Board of the wholly owned subsidiary is comprised of the members of the Executive and Senior Management Team of National Theatre of Scotland and one of the main Board members.

National Theatre of Scotland America, Inc.

National Theatre of Scotland America Inc. was a 501(c)(3) not-for-profit organisation founded in 2008, to support the work of the National Theatre of Scotland in the United States and in Scotland. Throughout 2020, while remaining very committed to US fundraising, the US Board examined ways to manage the demands of the investment in this area more effectively. Following the lead of other UK organisations and Scottish non-profits, in May 2021 a decision was taken to legally dissolve the dedicated 501c3 organisation in favour of a more cost-effective, simpler membership of a « fund of funds » facility, the Chapel and York Foundation (an Umbrella Fund).

National Theatre of Scotland was accepted as a member of the C&Y Foundation in May 2021. This offers the opportunity to fundraise simply and effectively in America without having to set up a dedicated legal entity.

The principle behind this is that an already established non-profit with a 501(c)(3) exemption provides the required status within a legal relationship that meets IRS standards, allowing the company to continue receiving donations. For an annual fee, the Foundation manages all regulatory requirements, banking and donation processing. The previous National Theatre of Scotland America Inc. Board will form a group (International Friends of National Theatre of Scotland) whose assistance and advice we will seek to utilise in future fundraising campaigns and US initiatives.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2021

Financial review (continued)

Whilst COVID-19 impacted planned 2020 and 2021 activity in the US, the production *Live Burns* (with Alan Cumming), now planned for autumn 2022, will provide an opportunity to resume our US donor/prospect stewardship and cultivation.

Connected Charities

The company works in collaboration with other charitable organisations – such as theatre venues, production companies and educational institutions – on specific projects and initiatives. It also receives funding from several charitable trusts and foundations.

Donated services

The National Theatre of Scotland does on occasion use volunteer staff. In addition, the company also hosts several placements throughout the year for students and other interested parties. The Board of Directors, with the exception of the Chief Executive/Artistic Director, are unpaid. Some of the venues the company visits do make use of volunteer staff.

Plans for future periods

The easing of restrictions has meant that the National Theatre of Scotland has been able to plan for a blended approach to programme delivery in 2021/22. The first two quarters of the year have largely seen work created for the digital space with the welcome exception of a planned live presentation of *Lament for Sheku Bayou* as part of the Edinburgh International Festival in August. Autumn and winter see a return to more live in-theatre work with one theatre/film hybrid production planned. This demonstrates our previous tactic of flexibility, preparedness, and an ability to make the best decision at the right time. This has meant that we have committed to projects later than we normally would, in order to give them the best possible chance of being produced as intended. It is important that the Company is able to ensure that there is work in development that can flex between live performance and digital offering, and that there are sufficient funds to devote to this work at the point that a commitment is made to it. The Company is in a good position on both these fronts.

Like many theatres right now the Company has moved to a model whereby rather than planning an entire season, a suite of artistic projects is being developed as far as possible, ahead of being able to commit to the production of any of them within a set timeframe. For this reason, we have announced intended works up until the Spring 2022 with extensive plans beyond this, ready to be announced at an appropriate time.

Whilst work is being developed at the Company's creation space Rockvilla and as a small number of staff are supporting that onsite, large-scale return to the offices will be in line with government advice. The organisation is also examining future blended working as an option for staff with consideration being given on how best to offer flexibility while maintaining the smooth and efficient functioning of the organisation.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2021

Structure, governance and management

The National Theatre of Scotland is a company limited by guarantee and a registered Scottish charity. The company is governed by a Board of Directors and run on a day-to-day basis by the Executive and Senior Management Teams, headed by the Chief Executive/Artistic Director, who have responsibility for all operational matters and decisions. A Delegation of Authority schedule is in place, developed in line with the Company's operational needs and reflective of relevant legislation as well as Board reserved matters. All major policy decisions are approved by the Board of Directors.

The Board has overall responsibility for the organisation's resources and ensuring its financial wellbeing. All members of the Board are non-executive except for the Chief Executive/Artistic Director.

New directors are appointed by the Board and may serve for an initial period of up to four years, after which, there is the possibility of re-appointment for a further period of up to four years. All new appointments must be approved by the members of the company at the Annual General Meeting. The Board elects the Chair and the Vice Chair of the Board.

During the year there have been no changes to the Board. When new Directors are appointed, they are selected via a rigorous and open recruitment process, which starts with a skills audit to identify existing and imminent skills gaps within the Board. All posts are advertised through online advertising channels and social media networks and if necessary, through traditional press medium. Prospective Board members submit their CV, a covering letter and complete a Diversity Monitoring Form. All applications are assessed against agreed criteria and skills matrix. If shortlisted, applicants are invited to a formal interview.

All new Directors undergo an induction process led by the Chair and the Chief Executive. This induction combines governance responsibilities, legal obligations of directors under company and charity law, constitution etc as well as an overview of the Company programme of activities and operations.

To support the work of the Finance Committee, membership also includes Co-opted members with a professional background in accountancy or finance.

In 2014/15 the Board initiated discussions on its role and responsibilities and determined to undertake a light touch governance review in 2015 to be followed by a full governance review in 2017. Both reviews were completed, and detailed reports and recommended actions were reported to the Board. The reviews were undertaken by an external advisor and future reviews will likewise be completed by an external independent advisor. The company now operates a 4-year cycle of full Governance Reviews from 2017 and a schedule of governance reviews up to 2023 has been implemented and fixed within the annual corporate cycle. The schedule of governance also includes the process of self-performance reviews undertaken by the Board and each Committee. The next full governance review is scheduled for Autumn 2021.

The Scottish Governance Code for the Third Sector and the Charity Governance Code (England and Wales), have both provided invaluable guidance to continue to support our focus to monitor, develop and improve our governance arrangements.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

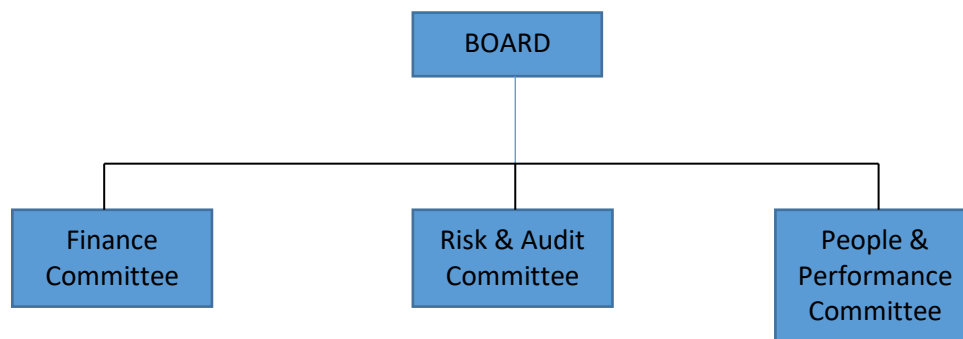
For the year ended 31 March 2021

Structure, governance and management (continued)

In March 2015 the Board approved the establishment of a wholly owned subsidiary, National Theatre of Scotland Productions Ltd (SC492495). The subsidiary was acquired on 1 April 2015 in response to the implementation of Theatre Tax Relief in September 2014 as the recognised most effective way for charities to manage accessing the relief. As good practice in 2018/19, we discussed the structure with our external advisors who confirmed its continued appropriateness. The Board of the wholly owned subsidiary is comprised of the members of the Executive and Senior Management Team of National Theatre of Scotland and one of the main Board members.

A register of directors' interests is maintained and as at the date of signing there were no directors who had a conflicting interest. To ensure that any potential conflicts of interest are alerted and considered during the year, declaration of interests is a standing agenda item at all Board and Committee meetings. The company maintains a directors' and officers' liability insurance policy.

The Board is supported by three sub-committees.



The Finance Committee meets four times a year and exists to:

- Review the ongoing financial performance of the organisation, through consideration of all budgets, forecasts, management accounts and the annual financial statements and report to the Board appropriately.
- Ensure the regular review of all financial policies, procedures, protocols and systems.

Committee membership during the year:

Claire Evans - Chair
Ian Ritchie
Sheelagh Duffield
Keiran O'Neill
John Mason – Co-optee

The Risk and Audit Committee meets twice a year and exists to:

- Oversee the external and internal audit process.
- Consider and recommend to the Board the appointment of the external auditor and their audit fee.
- Review the internal financial and non-financial control environment.
- Review company procedures and systems for risk management.
- Review company H&S controls and compliance.

Committee membership during the year:

Alison Lefroy-Brooks – Chair
Paul McKelvie
Janette Harkess
Michael Urquhart

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2021

Structure, governance and management (continued)

The People and Performance Committee meets twice a year. The Committee exists to:

- Establish the remuneration principles of the company.
- Determine and approve the remuneration of the CEO/Artistic Director and senior staff.
- Receive, consider and recommend for approval to the Board annual pay awards for all staff, including Senior Staff.
- Consider Board membership and composition and establish a proper framework for recruitment and development/training.
- Consider, when making recommendations on new Directors to the Board, the particular needs of the Company and that they reflect the Company's diversity action plan.
- Ensure that duties, responsibilities and privileges of Board membership are made clear on appointment and that a proper induction process for new members is in place.
- To oversee the drafting and implementation of the Company's policies including procedures on whistle blowing, wellbeing, diversity and any other HR related policies.

Committee membership during the year:

Janette Harkess – Chair
Seona Reid
Paul McKelvie
Ros Taylor
Robert Softley Gale

In addition to the above stated meetings, a joint Finance and Audit Committee also meets once a year to review the year-end financial accounts.

In response to the COVID-19 crisis, a Board Working Group was established to provide an agile response to the circumstances faced by the Company. The Group meets as and when required and exists to:

- Provide a sounding Board to the Executive leadership team.
- Discuss issues which require a timely cross organisation perspective.
- Discuss issues which do not fall into the remit of the three committees.
- Make recommendations to the full Board for anything requiring Board approval

Working Group membership:

Seona Reid - Chair
Claire Evans (Chair of Finance Committee)
Alison Lefroy Brooks (Chair of Risk & Audit Committee)
Janette Harkess (Chair of People and Performance Committee)
Ian Ritchie
Sheelagh Duffield
Jean Cameron

During the year all three Committees reviewed and approved their respective terms of reference. These were formally approved at the Board meeting of 22 June 2021.

It is the company's policy that employees should be kept as fully informed as possible about the activities of the company and employee's involvement is encouraged through formal communications channels: scheduled all staff, project and team meetings; the company intranet; regular team and project email updates to all staff. From March 2018, to improve understanding of the work of the Board, a member of staff now attends each Board meeting as an observer.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2021

Structure, governance and management (continued)

Our excellent health and safety culture within the company remains a key priority and we aim to lead and support the sector in this area. During the COVID-19 crisis this has included the development, implementation and continual review of operational guidelines to facilitate the reopening of Rockvilla and plans for a phased and safe return to work. The mental health and wellbeing of our staff continues to be a priority, especially given the impact that the pandemic has had on staff wellbeing, and we now have 18 members of staff trained as Mental Health First Aiders. We have continued to support staff during this period to ensure there is a supportive and adaptable environment in place.

As part of the Company's commitment to continuous improvement, we have a schedule of policies and procedures which we review on a periodic and timely basis to ensure they continue to be aligned with our strategic objectives and relevant legislation.

Risk management

The directors take a pro-active approach to risk management and have assessed the major risks to which the company is exposed. They are satisfied that systems are in place to mitigate exposure to the major risks. The Risk and Audit Committee reviews the company risk register at each of their meetings and gains assurance that policies are implemented and procedures followed. The Board reviews the Risk Register on an annual basis.

The risk register groups all identified risks into the following categories: Financial, External forces, Reputational, Artistic, Governance and Operational. Key risks within each category are clearly highlighted.

A separate section was created in the risk register to reflect the range of uncertainties generated by the COVID-19 crisis. A comprehensive exercise was undertaken to identify the risks as well as the essential mitigating actions required. The impact of the identified risks covers the following areas:

- Impact on longer financial sustainability
- Sector negatively impacted – short, medium and long term
- Ability for staff to undertake essential duties/activities
- Impact on staff health and wellbeing
- Reputational

All risks and mitigating actions are under review as the impact of COVID-19 continues to affect operations.

The following statements summarise the Board's policy in managing identified forms of financial, operational and sector risk:

Funding risk: Scottish Government core funding constitutes the majority of the company's total annual revenue income. Between 2011 and 2021 core funding reduced by 8.4%. The Board have put in place a strategy of income diversification, through fundraising, co-production and wider exploitation of repertoire work, to mitigate this risk. Throughout the COVID-19 crisis, close communications have been maintained with the Scottish Government; opportunities have been identified and progressed to access and maximise available grants, including the Coronavirus Job Retention Scheme, to help offset programme income losses and sunk costs. Ongoing and effective financial planning has been essential to try and mitigate impact, where possible, in order to support future programming.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2021

Structure, governance and management - (continued)

Risk management (continued)

Cash flow risk: The Company places any surplus funds on short term deposit or in accessible interest-bearing accounts to mitigate cash flow risk. While reserve levels are reviewed regularly by the Finance Committee and the Board, the Board undertook a further substantive review of the reserves policy and amended the previous target. This was in light of the anticipated impact on the economy and on Government budgetary planning of the COVID-19 crisis and therefore the importance of ensuring an appropriate unrestricted reserves level for this new scenario.

Health and Safety risk: Clear safety management systems are in place and ongoing awareness and safety training. This is supported by the Health and Safety Policy Group, who lead on H&S policy development, review and implementation. The Risk and Audit Committee review a H&S report at each meeting and review the H&S policy annually, which is also subsequently reviewed by the Board. New H&S procedures and crisis management arrangements have been developed in response to the COVID-19 crisis. These look at current requirements but also preparedness for any future crisis. Staff health and wellbeing is a priority. HR policies have also been reviewed and a supportive and adaptable environment established to support staff to undertake their duties in their new working environment.

Theatrical Sector sustainability (COVID-19) risk: Focus has been on supporting the sector and developing initiatives to help, particularly individuals and freelancers. Sector support has been in the form of creating new digital works to provide employment; honouring all existing contracts; developing a fundraising scheme to benefit freelancers; providing weekly forums for the theatre sector to meet and discuss challenges and needs in the short and long term and supporting alignment of messaging to the Government of sector support needs.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2021

Reference and Administrative Details

Charity name:	National Theatre of Scotland
Scottish Charity number:	SC033377
Company Registration number:	SC234270
Principal address and registered office:	Rockvilla 125 Craighall Road Glasgow G4 9TL

The Directors of the charitable company are its trustees for the purposes of charity law and throughout this report are collectively referred to as the Directors. The following served during the year or have been appointed since the year end:

Directors and Trustees:	Seona Reid DBE – Chair Jackie Wylie - CEO & Artistic Director Janette Harkess Alison Lefroy Brooks Paul McKelvie Ian Ritchie Robert Softley Gale Ros Tayler Michael Urquhart Michael Boyd Claire Evans Sheelagh Duffield Jean Cameron Keiran O'Neill Shereen Nanjiani
Chief Executive and Artistic Director:	Jackie Wylie
Executive Director and Deputy Chief Executive	Brenna Hobson
Company Secretary	Alyson Hagan (resigned 30/09/2020) Brenna Hobson (appointed 30/09/2020)
Executive Team:	Jackie Wylie Brenna Hobson
Senior Management Team:	Caroline Newall Gemma Swallow Stella Litchfield Charlotte Gross Paul Fitzpatrick Susannah Armitage

NATIONAL THEATRE OF SCOTLAND
Directors' Report (incorporating the Strategic Report)
For the year ended 31 March 2021

Reference and Administrative Details (continued)

Bankers:	Royal Bank of Scotland Paisley Chief Office 1 Moncrieff Street Paisley, PA3 2AW
Solicitors:	Dentons UK and Middle East LLP 1 George Square Glasgow G2 1AL
Independent Auditor:	Azets Audit Services Titanium 1 King's Inch Place Renfrew PA4 8WF

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2021

Statement of Directors' Responsibilities

The directors (who are also trustees of the National Theatre of Scotland for the purposes of charity law) 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. 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 group and the charitable company and of the income and expenditure, of the group and the charitable 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 principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charitable company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the charitable 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 Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the group's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included in the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the directors and signed on their behalf by:



Seona Reid DBE
Chair
23 September 2021

NATIONAL THEATRE OF SCOTLAND

Independent Auditor's Report to the Directors and Members of the National Theatre of Scotland

For the year ended 31 March 2021

Opinion

We have audited the financial statements of National Theatre of Scotland (the parent charitable company) and its subsidiary (the group) for the year ended 31 March 2021, which comprise the Consolidated and Parent Charitable Company Statement of Financial Activities (incorporating the Income and Expenditure Account), the Consolidated and Parent Charitable Company Balance Sheet, the Consolidated and Parent Charitable Company Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent charitable company's affairs as at 31 March 2021 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 regulations 6 and 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 group and parent 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 other 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The 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.

NATIONAL THEATRE OF SCOTLAND

Independent Auditor's Report to the Directors and Members of the National Theatre of Scotland

For the year ended 31 March 2021

Other information (continued)

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 Chair's Statement and in the Directors' Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report (incorporating the Strategic Report) has 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 group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Chair's Statement and in the Directors' Report (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 accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 page 26, 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.

NATIONAL THEATRE OF SCOTLAND

Independent Auditor's Report to the Directors and Members of the National Theatre of Scotland

For the year ended 31 March 2021

Responsibilities of the directors (continued)

In preparing the financial statements, the directors are responsible for assessing the group's and parent 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 parent 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 the 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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect

of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We obtain and update our understanding of the group and the parent charitable company, their activities, their control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the group and parent charitable company that were contrary to applicable laws and regulations, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and parent charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charitable company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, and health and safety legislation;

NATIONAL THEATRE OF SCOTLAND

Independent Auditor's Report to the Directors and Members of the National Theatre of Scotland

For the year ended 31 March 2021

Extent to which the audit was considered capable of detecting irregularities including fraud (continued)

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the group and parent charitable company's legal advisors.

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 to the financial statements were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

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

NATIONAL THEATRE OF SCOTLAND

**Independent Auditor's Report to the Directors and Members
of the National Theatre of Scotland**

For the year ended 31 March 2021

***Extent to which the audit was considered capable of detecting irregularities including fraud
(continued)***

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

Azets Audit Services

Allison Gibson (Senior Statutory Auditor)

For and on behalf of Azets Audit Services, Statutory Auditor

Chartered Accountants

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

Titanium 1

King's Inch Place

Renfrew

PA4 8WF

Date: 24 September 2021

NATIONAL THEATRE OF SCOTLAND

Consolidated Statement of Financial Activities and Income & Expenditure Account

For the year ended 31 March 2021

			Designated and Unrestricted Funds	Year ended 31 March 2021 Total Funds £	Year ended 31 March 2020 Total Funds £
	Notes	Restricted Funds £	£		
Income from:					
Donations and legacies	5	514,274	4,324,215	4,838,489	4,562,338
Income from charitable activities	6	1,716	350,114	351,830	611,676
Other trading activities	7	-	3,096	3,096	54,004
Income from investments		-	1,033	1,033	5,571
Other income - Coronavirus Job Retention Scheme		-	212,082	212,082	-
<i>Exceptional Item</i>	8	<u>33,000</u>	<u>-</u>	<u>33,000</u>	<u>57,200</u>
Total income		<u><u>548,990</u></u>	<u><u>4,890,540</u></u>	<u><u>5,439,530</u></u>	<u><u>5,290,789</u></u>
Expenditure on:					
Raising funds	9	<u>-</u>	<u>176,660</u>	<u>176,660</u>	<u>216,300</u>
Charitable activities:	10, 12				
Core costs		53,102	2,880,880	2,933,982	2,790,709
Programme and project development		58,401	1,497,768	1,556,169	2,189,890
Marketing		<u>-</u>	<u>75,830</u>	<u>75,830</u>	<u>223,886</u>
		111,503	4,454,478	4,565,981	5,204,485
<i>Exceptional Item</i>	11	<u>33,000</u>	<u>-</u>	<u>33,000</u>	<u>309,465</u>
Total expenditure		<u><u>144,503</u></u>	<u><u>4,631,138</u></u>	<u><u>4,775,641</u></u>	<u><u>5,730,250</u></u>
Net gains / (losses) on investments		<u>-</u>	<u>5,940</u>	<u>5,940</u>	<u>-</u>
Net income / (expenditure) before theatre tax credits		404,487	265,342	669,829	(439,461)
Theatre tax credit	14	<u>-</u>	<u>54,264</u>	<u>54,264</u>	<u>383,942</u>
Net movement in funds		404,487	319,606	724,093	(55,519)
Reconciliation of funds:					
Total funds brought forward	25, 26	<u>134,652</u>	<u>5,401,605</u>	<u>5,536,257</u>	<u>5,591,776</u>
Total funds carried forward	25, 26	<u><u>539,139</u></u>	<u><u>5,721,211</u></u>	<u><u>6,260,350</u></u>	<u><u>5,536,257</u></u>

There were no recognised gains or losses other than those shown above
Results for the period relate in their entirety to ongoing activities of the group
The companies included in the consolidation are National Theatre of Scotland and National Theatre of Scotland Productions Limited
The accompanying notes form part of these financial statements

NATIONAL THEATRE OF SCOTLAND

Company Statement of Financial Activities and Income & Expenditure Account

For the year ended 31 March 2021

	Notes	Restricted Funds £	Designated and Unrestricted Funds £	Year ended 31 March 2021 Total Funds £	Year ended 31 March 2020 Total Funds £
Income from:					
Donations and legacies	5	514,274	4,324,215	4,838,489	4,562,338
Income from charitable activities	6	1,716	1,157,144	1,158,860	2,627,386
Other trading activities	7	-	3,096	3,096	54,004
Income from investments		-	1,033	1,033	5,571
Other income - Coronavirus Job Retention Scheme		-	212,082	212,082	-
<i>Exceptional Item</i>	8	33,000	-	33,000	57,200
Total income		<u>548,990</u>	<u>5,697,570</u>	<u>6,246,560</u>	<u>7,306,499</u>
Expenditure on:					
Raising funds	9	-	176,660	176,660	216,300
Charitable activities:	10, 12				
Core costs		53,102	2,880,880	2,933,982	2,790,709
Programme and project development		58,401	2,248,108	2,306,509	3,834,689
Marketing and development		-	75,830	75,830	223,886
		<u>111,503</u>	<u>5,204,818</u>	<u>5,316,321</u>	<u>6,849,284</u>
<i>Exceptional Item</i>	11	33,000	-	33,000	309,465
Total expenditure		<u>144,503</u>	<u>5,381,478</u>	<u>5,525,981</u>	<u>7,375,049</u>
Net gains / (losses) on investments		<u>-</u>	<u>5,940</u>	<u>5,940</u>	<u>-</u>
Net income / (expenditure) before theatre tax credits		404,487	322,032	726,519	(68,550)
Theatre tax credit	14	-	(2,426)	(2,426)	13,031
Net movement in funds		404,487	319,606	724,093	(55,519)
Reconciliation of funds:					
Total funds brought forward	25, 26	134,652	5,401,605	5,536,257	5,591,776
Total funds carried forward	25, 26	<u>539,139</u>	<u>5,721,211</u>	<u>6,260,350</u>	<u>5,536,257</u>

There were no recognised gains or losses other than those shown above
Results for the period relate in their entirety to ongoing activities of the company

The accompanying notes form part of these financial statements

NATIONAL THEATRE OF SCOTLAND

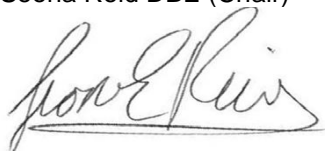
Consolidated Balance Sheet

As at 31 March 2021

	Notes	Restricted Funds £	Designated and Unrestricted Funds £	2021 Total funds £	2020 Total funds £
Fixed assets					
Tangible assets	17	-	5,256,401	5,256,401	5,445,357
Investments	18	-	5,990	5,990	-
		<hr/>	<hr/>	<hr/>	<hr/>
		-	5,262,391	5,262,391	5,445,357
Current assets					
Debtors	19	-	539,483	539,483	616,725
Cash at bank and in hand	20	539,139	1,912,209	2,451,348	1,681,055
		<hr/>	<hr/>	<hr/>	<hr/>
		539,139	2,451,692	2,990,831	2,297,780
Liabilities					
Creditors: Amounts falling due within one year	21	-	(572,026)	(572,026)	(688,301)
		<hr/>	<hr/>	<hr/>	<hr/>
Net current assets		539,139	1,879,666	2,418,805	1,609,479
		<hr/>	<hr/>	<hr/>	<hr/>
Total assets less current liabilities		539,139	7,142,057	7,681,196	7,054,836
		<hr/>	<hr/>	<hr/>	<hr/>
Creditors: Amounts falling due after more than one year	22	-	(1,420,846)	(1,420,846)	(1,518,579)
		<hr/>	<hr/>	<hr/>	<hr/>
Total net assets		539,139	5,721,211	6,260,350	5,536,257
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
The funds of the company:					
Restricted income funds	25	539,139	-	539,139	134,652
Designated funds	26	-	5,078,810	5,078,810	4,759,204
Unrestricted income funds	26	-	642,401	642,401	642,401
		<hr/>	<hr/>	<hr/>	<hr/>
		539,139	5,721,211	6,260,350	5,536,257
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The financial statements were authorised for issue by the Board of Directors on 23 September 2021 and signed on its behalf by:

Seona Reid DBE (Chair)



Director

Company Number: SC234270

The companies included in the consolidation are National Theatre of Scotland and National Theatre of Scotland Productions Limited

The accompanying notes form part of these financial statements

NATIONAL THEATRE OF SCOTLAND

Company Balance Sheet

As at 31 March 2021

	Notes	Restricted Funds £	Designated and Unrestricted Funds £	2021 Total funds £	2020 Total funds £
Fixed assets					
Tangible assets	17	-	5,256,401	5,256,401	5,445,357
Investments	18	-	5,992	5,992	2
		-	5,262,393	5,262,393	5,445,359
Current assets					
Debtors	19	-	1,288,161	1,288,161	2,496,560
Cash at bank and in hand	20	539,139	1,912,209	2,451,348	1,681,055
		539,139	3,200,370	3,739,509	4,177,615
Liabilities					
Creditors: Amounts falling due within one year	21	-	(1,320,706)	(1,320,706)	(2,568,138)
Net current assets		539,139	1,879,664	2,418,803	1,609,477
Total assets less current liabilities		539,139	7,142,057	7,681,196	7,054,836
Creditors: Amounts falling due after more than one year	22	-	(1,420,846)	(1,420,846)	(1,518,579)
Total net assets		539,139	5,721,211	6,260,350	5,536,257
The funds of the company:					
Restricted income funds	25	539,139	-	539,139	134,652
Designated funds	26	-	5,078,810	5,078,810	4,759,204
Unrestricted income funds	26	-	642,401	642,401	642,401
		539,139	5,721,211	6,260,350	5,536,257

The financial statements were authorised for issue by the Board of Directors on 23 September 2021 and signed on its behalf by:

Seona Reid DBE (Chair)



Director

Company Number: SC234270

The accompanying notes form part of these financial statements

NATIONAL THEATRE OF SCOTLAND

Consolidated Group Statement of Cash Flows

For the year ended 31 March 2021

	Notes	Total funds 2021 £	Prior Year funds 2020 £
Cash flows from operating activities:			
<i>Net cash provided by operating activities</i>	27	955,521	220,130
Cash flows from investing activities:			
Interest received		1,033	5,571
Purchase of tangible fixed assets		(88,964)	(129,423)
Purchase of investments		(50)	-
<i>Net cash (used in) investing activities</i>		(87,981)	(123,852)
Cash flows from financing activities:			
Repayments of borrowing		(97,247)	(96,763)
<i>Net cash (used in) financing activities</i>		(97,247)	(96,763)
<i>Change in cash in the reporting period</i>		770,293	(485)
Cash at the beginning of the reporting period		1,681,055	1,681,540
<i>Cash at the end of the reporting period</i>		2,451,348	1,681,055
Components of cash and cash equivalents:			
Cash at bank and in hand	20	2,451,348	1,681,055

The companies included in the consolidation are National Theatre of Scotland and National Theatre of Scotland Productions Limited

The accompanying notes form part of these financial statements

NATIONAL THEATRE OF SCOTLAND

Company Statement of Cash Flows

For the year ended 31 March 2021

	Notes	Total funds 2021 £	Prior Year funds 2020 £
Cash flows from operating activities:			
<i>Net cash provided by operating activities</i>	27	955,521	220,130
Cash flows from investing activities:			
Interest received		1,033	5,571
Purchase of tangible fixed assets		(88,964)	(129,423)
Purchase of investments		(50)	-
<i>Net cash (used in) investing activities</i>		(87,981)	(123,852)
Cash flows from financing activities:			
Repayments of borrowing		(97,247)	(96,763)
<i>Net cash (used in) financing activities</i>		(97,247)	(96,763)
<i>Change in cash in the reporting period</i>		770,293	(485)
Cash at the beginning of the reporting period		1,681,055	1,681,540
<i>Cash at the end of the reporting period</i>		2,451,348	1,681,055
Components of cash and cash equivalents:			
Cash at bank and in hand	20	2,451,348	1,681,055

The accompanying notes form part of these financial statements

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements

For the year ended 31 March 2021

1. General information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the group's transactions are denominated. They comprise the financial statements of National Theatre of Scotland, and its subsidiary National Theatre of Scotland Productions Limited.

The principal activities of the National Theatre of Scotland and the National Theatre of Scotland Productions Limited during the year continued to be the commissioning, development, production and promotion of theatrical works and performances.

National Theatre of Scotland is a charitable 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 SC033377. In the event of the winding up of the charitable 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 page 24 of these financial statements.

2. Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") (United Kingdom Generally Accepted Accounting Practice), 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 (FRS 102)', the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

National Theatre of Scotland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

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 group's financial statements unless otherwise stated.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

2. Principal accounting policies - continued

Basis of consolidation

The group financial statements consolidate the financial statements of National Theatre of Scotland and its subsidiary undertaking, National Theatre of Scotland Productions Ltd (a company limited by shares) prepared up to 31 March 2021.

Going concern

The financial statements are prepared on the basis that the group and parent company is a going concern. The Directors regularly review budgets and cash flow forecasts and assess funding, trading and liquidity risks. The Directors have also considered the impact of the COVID-19 crisis and have taken specific action including reviewing the unrestricted reserves policy and accessing appropriate Government support initiatives. In doing so the Directors have identified no material uncertainties that may cast significant doubt about the ability of the group and company to continue as a going concern.

Income

All income is included in the Statement of Financial Activities when the group is entitled to the income, any performance conditions have been met, it is probable that the income will be received, and the amount can be quantified with reasonable accuracy.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the group has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income is deferred only when the group has to fulfil conditions before becoming entitled to it - for example, income received in advance of a theatrical performance or provision of other specified services; or where the donor has specified that the income is to be expended in future periods.

Expenditure

Expenditure is recognised on an accruals basis when the group has entered into a legal and constructive obligation, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All costs are allocated to the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of resources. Costs relating to a particular activity are allocated directly to this activity. Where expenditure cannot be directly attributed in this way it is apportioned between activities on an appropriate basis.

Future production expenditure

All direct costs incurred in the creation of a production are regarded as pre-production costs. Such costs incurred prior to 31 March for a tour with performances taking place after that date will be recognised as future production expenditure and carried forward in proportion to the number of performances occurring in each financial year. Costs are carried forward only to the extent that they are recoverable through income generated from all sources.

Expenditure on raising funds comprises the costs associated with attracting donations, grants and legacies.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

2. Principal accounting policies - continued

Expenditure (continued)

Expenditure on charitable activities comprises those costs incurred by the group 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, including the costs of governing the group.

Exceptional items

During the year, the company led a fundraising campaign in association with The Federation of Scottish Theatre, The McGlashan Charitable Trust and leading Scottish theatre organisations, to raise money for the COVID-19 Hardship Fund, supporting artists most affected by the pandemic. Funds raised were passed to The McGlashan Charitable Trust for distribution. Given the role of the company in this one-off campaign, this was deemed to be outwith the regular activities of the company. The income and associated expenditure are therefore shown as exceptional items on the Statement of Financial Activities.

Value added tax

All transactions are net of VAT.

Theatre tax credit

The theatre tax credit is credited to the Statement of Financial Activities consistent with the principles of corporation tax, based on productions during the financial year which meet the criteria for the relief.

Pension costs

The group operates two defined contribution schemes in respect of its employees. The assets of the schemes are held separately from those of the group. The pension cost charge represents the amount of contributions payable to the schemes for the year.

Termination payments

Termination payments are amounts payable to end an individual's employment and are charged on an accruals basis to the Statement of Financial Activities when the group is demonstrably committed to this course of action.

Operating leases

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

Fixed assets and depreciation

Fixed assets are stated at cost.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

2. Principal accounting policies - continued

Fixed assets and depreciation (continued)

Individual or a group of items of equipment costing in excess of the following limits, which have a useful life in excess of 12 months, are capitalised at cost.

Land and Buildings	over £5,000
Fixed Equipment	over £1,000
Moveable Equipment	over £1,000
Computer Equipment and Software	over £500
Production Equipment	over £3,000

Depreciation is calculated to write off the cost of fixed assets over their expected useful life as follows:

Land and Buildings	50 years
Fixed Equipment	10 - 25 years
Moveable Equipment	5 - 10 years
Computer Equipment and Software	3 - 5 years
Production Equipment	3 - 10 years

Assets under construction are not depreciated until the asset is brought into use.

Investments

Investments in subsidiary undertakings are included at cost less accumulated impairment.

Investments in joint venture entities are accounted for using the equity method in accordance with section 15 of FRS 102. Initial investment in the entity is shown at cost with the group's net share of profit or loss recognised in the Statement of Finance Activities.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors

Creditors are recognised where the group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The group only enters into basic financial instruments that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and other third parties including a concessionary loan from the Scottish Government in relation to the property project. Financial instruments are classified as in accordance with Chapter 11 of FRS102.

Financial instruments are recognised in the balance sheet when the group becomes a party to the contractual provisions of the instrument. Financial instruments payable or receivable within one year are measured at the undiscounted amount expected to be paid or received. Financial instruments payable or receivable out with one year are initially measured at

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

2. Principal accounting policies - continued

Financial instruments (continued)

transaction value. Subsequent to initial recognition, at the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest rate method. Concessionary loans follow the alternative provisions for public benefit entities in accordance with paragraph PBE 34.

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.

Funds

Unrestricted general funds are funds which can be used in accordance with the charitable objects at the discretion of the directors.

Designated funds are set aside by the Directors out of unrestricted general funds for specific future purposes or commitments. These funds will be expensed in future periods, up to a maximum of three years after the financial year in which they were set aside. If they remain unspent after this period they will be released back into unrestricted reserves.

Restricted funds are funds which can only be used for particular restricted purposes within the charitable objects of the company. Restrictions arise when specified by the donor or when the funds are raised for particular purposes.

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.

3. Critical judgements and estimates

In preparing the financial statements, Directors 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 may differ from such estimates.

Critical judgements are made in the application of income recognition accounting policies and the timing of the recognition of income in accordance with the Charities SORP (FRS 102). In addition, the directors have elected to account for concessionary loans at cost less impairment. Further key sources of estimate have been applied to the impairment of land and buildings as well as depreciation rates.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

4. Comparative Statement of Financial Activities

Group
For the year ended 31 March 2020

	Restricted Funds	Designated and Unrestricted Funds	Year ended 31 March 2020 Total Funds
	£	£	£
Income from:			
Donations and legacies	185,037	4,377,301	4,562,338
Income from charitable activities	4,260	607,416	611,676
Other trading activities	30,800	23,204	54,004
Income from investments	-	5,571	5,571
<i>Exceptional Items</i>	<i>43,600</i>	<i>13,600</i>	<i>57,200</i>
Total income	263,697	5,027,092	5,290,789
Expenditure on:			
Raising funds	-	216,300	216,300
Charitable activities:			
Core costs	137,334	2,653,375	2,790,709
Programme and project development	172,832	2,017,058	2,189,890
Marketing	-	223,886	223,886
	310,166	4,894,319	5,204,485
<i>Exceptional Items</i>	<i>43,600</i>	<i>265,865</i>	<i>309,465</i>
Total expenditure	353,766	5,376,484	5,730,250
Net (expenditure) before theatre tax credits	(90,069)	(349,392)	(439,461)
Theatre tax credit	-	383,942	383,942
Net movement in funds	(90,069)	34,550	(55,519)

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

4. Comparative Statement of Financial Activities- continued

Company

For the year ended 31 March 2020

		Designated and Unrestricted Funds	Year ended 31 March 2020 Total Funds
	Restricted Funds £	£	£
Income from:			
Donations and legacies	185,037	4,377,301	4,562,338
Income from charitable activities	4,260	2,623,126	2,627,386
Other trading activities	30,800	23,204	54,004
Income from investments	-	5,571	5,571
<i>Exceptional Items</i>	<i>43,600</i>	<i>13,600</i>	<i>57,200</i>
Total income	263,697	7,042,802	7,306,499
Expenditure on:			
Raising funds	-	216,300	216,300
Charitable activities:			
Core costs	137,334	2,653,375	2,790,709
Programme and project development	172,832	3,661,857	3,834,689
Marketing	-	223,886	223,886
	310,166	6,539,118	6,849,284
<i>Exceptional Items</i>	<i>43,600</i>	<i>265,865</i>	<i>309,465</i>
Total expenditure	353,766	7,021,283	7,375,049
Net income / (expenditure) before theatre tax credits	(90,069)	21,519	(68,550)
Theatre tax credit	-	13,031	13,031
Net movement in funds	(90,069)	34,550	(55,519)

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

5. Income from donations and legacies

Group and Company - 2021

	Restricted	Designated & Unrestricted	Total 2021
	£	£	£
Scottish Government Funding	87,710	4,174,000	4,261,710
Other grants - public bodies and charitable foundations	424,564	52,988	477,552
Donations	2,000	97,227	99,227
	<hr/>	<hr/>	<hr/>
	514,274	4,324,215	4,838,489
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Group and Company - 2020

	Restricted	Designated & Unrestricted	Total 2020
	£	£	£
Scottish Government Funding	23,000	4,174,000	4,197,000
Other grants - public bodies and charitable foundations	162,037	17,031	179,068
Donations	-	186,270	186,270
	<hr/>	<hr/>	<hr/>
	185,037	4,377,301	4,562,338
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

6. Income from charitable activities

Group - 2021

	Restricted	Designated & Unrestricted	Total 2021
	£	£	£
Production income	-	226,841	226,841
Education & outreach income	-	-	-
Other income	1,716	123,273	124,989
	<hr/>	<hr/>	<hr/>
	1,716	350,114	351,830
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements – continued

For the year ended 31 March 2021

6. Income from charitable activities - continued

Group – 2020

	Restricted	Designated & Unrestricted	Total 2020
	£	£	£
Production income	-	570,254	570,254
Education & outreach income	-	2,857	2,857
Other income	4,260	34,305	38,565
	<hr/>	<hr/>	<hr/>
	4,260	607,416	611,676
	<hr/>	<hr/>	<hr/>

Company – 2021

	Restricted	Designated & Unrestricted	Total 2021
	£	£	£
Production income	-	1,033,871	1,033,871
Education & outreach income	-	-	-
Other income	1,716	123,273	124,989
	<hr/>	<hr/>	<hr/>
	1,716	1,157,144	1,158,860
	<hr/>	<hr/>	<hr/>

Company - 2020

	Restricted	Designated & Unrestricted	Total 2020
	£	£	£
Production income	-	2,585,964	2,585,964
Education & outreach income	-	2,857	2,857
Other income	4,260	34,305	38,565
	<hr/>	<hr/>	<hr/>
	4,260	2,623,126	2,627,386
	<hr/>	<hr/>	<hr/>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

7. Income from other trading activities

Group and Company - 2021

	Restricted	Designated & Unrestricted	Total 2021
	£	£	£
Sponsorship	-	3,096	3,096
	-	3,096	3,096

Group and Company - 2020

	Restricted	Designated & Unrestricted	Total 2020
	£	£	£
Sponsorship	30,800	23,204	54,004
	30,800	23,204	54,004

8. Exceptional item – income

Group and Company - 2021

	Restricted	Designated & Unrestricted	Total 2021
	£	£	£
Donations	33,000	-	33,000
	33,000	-	33,000

To highlight donations collected in respect of the COVID-19 Hardship Fund, on behalf of The McGlashan Charitable Trust

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

8. Exceptional item - income - continued

Group and Company - 2020

	Restricted	Designated & Unrestricted	Total 2020
	£	£	£
Other grants - public bodies and charitable foundations	43,600	-	43,600
Production income	-	13,600	13,600
	<u>43,600</u>	<u>13,600</u>	<u>57,200</u>

To highlight income recognised in 2019-20 in relation to 2020-21 productions cancelled due to the COVID-19 pandemic.

9. Expenditure on raising funds

Group and Company

	2021	2020
	£	£
Staff costs	170,824	170,094
Overheads	5,836	46,206
	<u>176,660</u>	<u>216,300</u>

This note reflects the overall cost of the development function which is responsible for fundraising.

We have a Development team of four; Director of Development, Development Manager, Trust Funding Manager and Development Administrator. Their mission is to support the work of the National Theatre of Scotland, a registered charity, through a number of fundraising strands: Individuals, Corporate Support Trust and Statutory Funding & Events. We also received funding in 2020-21 from National Theatre of Scotland America Inc., a 501(c)(3) non-profit organisation which has supported our touring activity across the US since 2008 but which was dissolved in May 2021. Our fundraising policy, approved by our Board in early 2018, complies with the Fundraising Code of Practice.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

10. Expenditure on charitable activities

Group - 2021

	Core costs £	Programme & Project Development £	Marketing £	Total 2021 £
Premises costs	83,497	-	-	83,497
Depreciation	277,920	-	-	277,920
IT & communication costs	118,975	-	-	118,975
Other core overheads	263,025	-	-	263,025
Staff salaries	2,151,359	-	-	2,151,359
Production Programme costs*	-	1,168,088	11,970	1,180,058
Artistic Development	754	302,308	-	303,062
Creative Engagement	730	85,773	-	86,503
Audience & Media	2,239	-	63,860	66,099
Governance costs (note 12)	35,483	-	-	35,483
	<u>2,933,982</u>	<u>1,556,169</u>	<u>75,830</u>	<u>4,565,981</u>
of which:				
Restricted	53,102	58,401	-	111,503
Designated & Unrestricted	<u>2,880,880</u>	<u>1,497,768</u>	<u>75,830</u>	<u>4,454,478</u>
	<u>2,933,982</u>	<u>1,556,169</u>	<u>75,830</u>	<u>4,565,981</u>

*includes production wages costs of £477,359 (see note 13)

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

10. Expenditure on charitable activities - continued

Group - 2020

	Core costs £	Programme & Project Development £	Marketing £	Total 2020 £
Premises costs	116,277	-	-	116,277
Depreciation	266,548	-	-	266,548
IT & communication costs	117,192	-	-	117,192
Other core overheads	276,381	-	-	276,381
Staff salaries	1,946,471	-	-	1,946,471
Production Programme costs*	-	1,655,669	90,322	1,745,991
Artistic Development	10,061	224,799	-	234,860
Creative Engagement	3,796	309,422	161	313,379
Audience & Media	8,710	-	133,403	142,113
Governance costs (note 12)	45,273	-	-	45,273
	<u>2,790,709</u>	<u>2,189,890</u>	<u>223,886</u>	<u>5,204,485</u>
of which:				
Restricted	137,334	172,832	-	310,166
Designated & Unrestricted	2,653,375	2,017,058	223,886	4,894,319
	<u>2,790,709</u>	<u>2,189,890</u>	<u>223,886</u>	<u>5,204,485</u>

*includes production wages costs of £618,789 (see note 13)

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

10. Expenditure on charitable activities - continued

Company - 2021

	Core costs	Programme & Project Development	Marketing	Total 2021
	£	£	£	£
Premises costs	83,497	-	-	83,497
Depreciation	277,920	-	-	277,920
IT & communication costs	118,975	-	-	118,975
Other core overheads	263,025	-	-	263,025
Staff salaries	2,151,359	-	-	2,151,359
Production Programme costs*	-	1,918,428	11,970	1,930,398
Artistic Development	754	302,308	-	303,062
Creative Engagement	730	85,773	-	86,503
Audience & Media	2,239	-	63,860	66,099
Governance costs (note 12)	35,483	-	-	35,483
	<u>2,933,982</u>	<u>2,306,509</u>	<u>75,830</u>	<u>5,316,321</u>
of which:				
Restricted	53,102	58,401	-	111,503
Designated & Unrestricted	<u>2,880,880</u>	<u>2,248,108</u>	<u>75,830</u>	<u>5,204,818</u>
	<u>2,933,982</u>	<u>2,306,509</u>	<u>75,830</u>	<u>5,316,321</u>

*includes production wages costs of £477,359 (see note 13)

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

10. Expenditure on charitable activities - continued

Company - 2020

	Core costs £	Programme & Project Development £	Marketing £	Total 2020 £
Premises costs	116,277	-	-	116,277
Depreciation	266,548	-	-	266,548
IT & communication costs	117,192	-	-	117,192
Other core overheads	276,381	-	-	276,381
Staff salaries	1,946,471	-	-	1,946,471
Production Programme costs*	-	3,300,468	90,322	3,390,790
Artistic Development	10,061	224,799	-	234,860
Creative Engagement	3,796	309,422	161	313,379
Audience & Media	8,710	-	133,403	142,113
Governance costs (note 12)	45,273	-	-	45,273
	<u>2,790,709</u>	<u>3,834,689</u>	<u>223,886</u>	<u>6,849,284</u>
of which:				
Restricted	137,334	172,832	-	310,166
Designated & Unrestricted	<u>2,653,375</u>	<u>3,661,857</u>	<u>223,886</u>	<u>6,539,118</u>
	<u>2,790,709</u>	<u>3,834,689</u>	<u>223,886</u>	<u>6,849,284</u>

*includes production wages costs of £618,789 (see note 13)

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

11. Exceptional item - expenditure

Group and Company - 2021

	Core costs £	Programme & Project Development £	Marketing £	Total 2021 £
Production Programme costs*	33,000	-	-	33,000
	<hr/>	<hr/>	<hr/>	<hr/>
	33,000	-	-	33,000
	<hr/>	<hr/>	<hr/>	<hr/>
of which:				
Restricted	33,000	-	-	33,000
	<hr/>	<hr/>	<hr/>	<hr/>
	33,000	-	-	33,000
	<hr/>	<hr/>	<hr/>	<hr/>

To highlight an exceptional grant payment in relation to funds raised on behalf of The McGlashan Charitable Trust for the COVID-19 Hardship Fund

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

11. Exceptional item – expenditure - continued

Group and Company - 2020

	Core costs £	Programme & Project Development £	Marketing £	Total 2020 £
Production Programme costs*	-	236,847	49,521	286,368
Creative Engagement	-	23,097	-	23,097
	-	259,944	49,521	309,465
of which:				
Restricted	-	43,600	-	43,600
Designated & Unrestricted	-	216,344	49,521	265,865
	-	259,944	49,521	309,465

*includes production wages costs of £25,433 (see note 13)

To highlight expenditure incurred in 2019-20 on 2020-21 productions which were cancelled due to the COVID-19 pandemic

12. Governance costs

Group and company

	2021 £	2020 £
Accountancy fees	12,500	16,000
Audit fee	15,960	15,960
Non-Audit fees	4,000	10,950
Board costs	3,023	2,363
	35,483	45,273

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

13. Analysis of staff costs

Group and Company - 2021

	Core	Production	Development	Total 2021
	£	£	£	£
Salaries and wages	1,856,973	456,147	144,377	2,457,497
Social security costs	164,840	11,804	14,962	191,606
Pension costs	129,546	9,408	11,485	150,439
	<u>2,151,359</u>	<u>477,359</u>	<u>170,824</u>	<u>2,799,542</u>

Group and Company - 2020

	Core	Production	Development	Total 2020
	£	£	£	£
Salaries and wages	1,660,083	612,235	143,560	2,415,878
Social security costs	157,880	19,535	15,049	192,464
Pension costs	128,508	12,452	11,485	152,445
	<u>1,946,471</u>	<u>644,222</u>	<u>170,094</u>	<u>2,760,787</u>

During the year termination payments, including payment made in lieu of notice, of £49,075 were incurred and paid (2020: £nil)

Production staff costs represent those employed on short-term contracts for specific productions.

	2021 Full -time No.	2021 Part -time No.	2021 Total No.	2020 Full -time No.	2020 Part -time No.	2020 Total No.
Number of employees:						
Productions - contract staff	13	3	16	19	7	26
Core staff	<u>37</u>	<u>28</u>	<u>65</u>	<u>38</u>	<u>27</u>	<u>65</u>
	<u>50</u>	<u>31</u>	<u>81</u>	<u>57</u>	<u>34</u>	<u>91</u>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

13. Analysis of staff costs - continued

The following number of employees, including the Chief Executive, received remuneration in excess of £60,000 in the period:

	2021	2020
£60,000 - £69,999	-	1
£70,000 - £79,999	-	1
£80,000 - £89,999	1	1
£90,000 - £99,999	2	-

For employees in the above bandings, pension contributions of £18,565 (2020: £17,470) were made during the year.

The company's key senior management personnel numbered ten employees during the year (2020: eight). Remuneration for these employees totalled £631,845 during the year (2020: £557,972). The movement from prior year reflects changes in key personnel during the year and includes a return from maternity leave. National Theatre of Scotland seeks to remunerate all staff fairly within limited financial resources. In setting the rates for senior management and executive team members the company takes industry standards into account including formal and informal benchmarking processes.

Directors' emoluments and expenses

By the authority of the Board, the Chief Executive, Jackie Wylie received remuneration, including pension contributions, of £97,716 (2020: £61,448); this increase partially reflects a return from maternity leave during the previous period.

No other director received any remuneration during the year (2020: nil).

Directors' reimbursement of expenses totalled £300 for the year (2020: £1,572) for one director (2020: five).

14. Theatre tax credit

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Theatre tax credit	54,264	383,942	(2,426)	13,031
	<u>54,264</u>	<u>383,942</u>	<u>(2,426)</u>	<u>13,031</u>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

15. Related party transactions

The company has taken advantage of the exemption granted by FRS 102 not to disclose transactions with other group companies.

Group and Company

During 2020-21, eight directors and four senior managers made donations totalling £6,889 to the National Theatre of Scotland. In 2019-20, seven directors and four senior managers donated a total of £10,671.

During the year, the National Theatre of Scotland made payments to the following related parties:

UK Theatre Association, of which Brenna Hobson (senior manager) is a director, was paid £4,145 for the company's annual membership subscription (2020: £4,145)

Robert Softley Gale (director) received nil payment for writer's fee and royalties for ***My Left /Right Foot - The Musical*** (2020: £4,000).

Caroline Newall (senior manager) is married to Douglas Maxwell, a Playwright, who received £865 in relation to the development of a future production (2020: £nil).

£16,000 was paid to Adam on Screen Limited, a Joint Venture entity in which National Theatre of Scotland has a 50% shareholding, in relation to ***Adam (Film)*** (2020: £nil). This cash advance is disclosed within other debtors as at 31 March 2021.

During the year, the National Theatre of Scotland received payments from the following related parties:

Nil payment was received from Birds of Paradise Theatre Company Ltd, of which Robert Softley Gale (director) is company secretary (2020: £34,856).

Nil payment was received from North East Theatre Trust Ltd, of which Brenna Hobson (senior manager) is a director (2020: £26,893).

Nil payment was received from Tron Theatre Ltd, of which Shereen Nanjiani (director) is a director (2019: £4,704).

£18,836 is due to be received from Adam on Screen Limited, a Joint Venture entity in which National Theatre of Scotland has a 50% shareholding, in relation to production costs for ***Adam (Film)*** (2020: £nil). This balance is disclosed within trade debtors as at 31 March 2021. In addition, there is a gain arising of £5,940 for National Theatre of Scotland in respect of its share in this joint venture.

£46,150 of grant funding from Hopscotch Ltd (Joint Venture Partner in Adam on Screen Limited) in respect of ***Scenes for Survival*** (2020: £nil)

All related party transactions were at arms length.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

16. Operating lease commitments

The Group and Company's total commitments under operating leases are for leases expiring:

	2021	2020
	£	£
Plant and equipment		
Within one year	11,241	9,836
Between one and five years	42,179	13,560
In more than five years	7,834	-
	<hr/>	<hr/>
	61,254	23,396
	<hr/>	<hr/>
	2021	2020
	£	£
Operating lease rental expenses paid		
Plant and equipment	9,886	9,611
	<hr/>	<hr/>
	9,886	9,611
	<hr/>	<hr/>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

17. Fixed assets

Group and Company

	Land & Buildings	Fixed Equipment	Computer Equipment & Software	Production Equipment	Moveable Equipment	Total
	£	£	£	£	£	£
Cost						
At 1 April 2020	3,420,394	2,662,631	351,980	728,458	80,967	7,244,430
Additions	-	-	47,977	40,987	-	88,964
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	3,420,394	2,662,631	399,957	769,445	80,967	7,333,394
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation						
At 1 April 2020	273,631	552,806	301,863	631,588	39,185	1,799,073
Charge in period	68,408	138,992	38,803	24,822	6,895	277,920
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	342,039	691,798	340,666	656,410	46,080	2,076,993
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value						
At 31 March 2021	3,078,355	1,970,833	59,291	113,035	34,887	5,256,401
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 1 April 2020	3,146,763	2,109,825	50,117	96,870	41,782	5,445,357
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

18. Investments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Investment in subsidiary undertaking	-	-	2	2
	-	-	2	2
<i>Name of subsidiary undertaking</i>		<i>Country of Registration</i>	<i>Class of shares held</i>	<i>Percentage holding</i>
National Theatre of Scotland Productions Limited		Scotland	Ordinary £1	100%
		<i>Share Capital and Reserves</i>	<i>Principal Activity</i>	<i>Net Income/ (expenditure) for year £</i>
		£		£
National Theatre of Scotland Productions Limited		2	Theatre Production	-

National Theatre of Scotland Productions Limited was incorporated on 2 December 2014 and did not trade in the period from 2 December 2014 to 31 March 2015. National Theatre of Scotland acquired the entire share capital of the company for nil consideration on 1 April 2015. The registered office is Rockvilla, 125 Craighall Road, Glasgow, G4 9TL.

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Investment in joint venture entity	50	-	50	-
Share of profits	5,940		5,940	
	5,990	-	5,990	-
<i>Name of joint venture entity</i>		<i>Country of Registration</i>	<i>Class of shares held</i>	<i>Percentage holding</i>
Adam on Screen Limited		Scotland	Ordinary £1	50%
		<i>Share Capital and Reserves</i>	<i>Principal Activity</i>	<i>Net Income/ (expenditure) for year £</i>
		£		£
Adam on Screen Limited		100	Film Production	11,880

Adam on Screen Limited was incorporated on 16 December 2020. The registered office is c/o Hopscotch Films Limited, Film City Glasgow, 401 Govan Road, Glasgow, G51 2QJ.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

19. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	99,784	94,276	99,784	94,276
Future production expenditure	168,656	35,700	168,656	35,700
Prepayments	53,452	66,277	53,452	66,277
Other debtors (inc accrued income)	184,595	355,095	126,243	57,291
Amounts owed by group undertakings	-	-	807,030	2,177,639
VAT receivable	32,996	65,377	32,996	65,377
	<u>539,483</u>	<u>616,725</u>	<u>1,288,161</u>	<u>2,496,560</u>

20. Cash and cash equivalents

Group and Company

	2021 £	2020 £
Cash at bank and in hand	<u>2,451,348</u>	<u>1,681,055</u>

21. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	98,518	179,262	98,518	179,262
Other creditors	24,805	37,217	24,805	37,217
Accruals and deferred income	304,860	327,034	304,860	327,034
Amounts owed to group undertakings	-	-	748,680	1,879,837
Tax and social security	46,110	47,541	46,110	47,541
Loan - Scottish Government	97,733	97,247	97,733	97,247
	<u>572,026</u>	<u>688,301</u>	<u>1,320,706</u>	<u>2,568,138</u>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

21. Creditors: Amounts falling due within one year - continued

Deferred income included above:

Group and Company

	2021 £	2020 £
Brought forward	36,577	78,940
Income deferred in year	50,705	36,577
Income released in year	(36,577)	(78,940)
	<hr/>	<hr/>
Carried forward	50,705	36,577
	<hr/>	<hr/>

22. Creditors: Amounts falling due after more than one year

Group and Company

	2021 £	2020 £
Loan - Scottish Government	1,420,846	1,518,579
	<hr/>	<hr/>
	1,420,846	1,518,579
	<hr/>	<hr/>
	2021 £	2020 £
Amounts repayable:		
Within one year	97,733	97,247
Between one and two years	98,222	97,733
Between two and five years	297,621	296,141
In more than five years	1,025,003	1,124,705
	<hr/>	<hr/>
	1,518,579	1,615,826
	<hr/>	<hr/>

The purpose of the £2,000,000 loan has been to support the Rockvilla capital project. The loan term is 20 years with an interest rate of 0.5%, to be repaid with annual payments on 15 March or earlier working day. The loan may be repaid in full early or accelerated, at which point interest calculations will be adjusted. The level of any repayment may be increased without penalty.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

23. Analysis of changes in net debt

Group and Company

	At start of year £	Cashflows £	Other non- cash changes £	At end of year £
Cash	1,681,055	770,293	-	2,451,348
Loans falling due within one year	(97,247)	97,247	(97,733)	(97,733)
Loans falling due after more than one year	(1,518,579)	-	97,733	(1,420,846)
	<u>65,229</u>	<u>867,540</u>	<u>-</u>	<u>932,769</u>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

24. Analysis of net assets between funds

Group - 2021

	Tangible Assets	Investments	Net current Assets less non-current liabilities	Total
	£	£	£	£
Restricted funds	-	-	539,139	539,139
Designated funds	4,017,066	-	1,061,744	5,078,810
Unrestricted funds	1,239,335	5,990	(602,924)	642,401
	<u>5,256,401</u>	<u>5,990</u>	<u>997,959</u>	<u>6,260,350</u>

Group - 2020

	Tangible Assets	Investments	Net current Assets less non-current liabilities	Total
	£	£	£	£
Restricted funds	-	-	134,652	134,652
Designated funds	4,199,238	-	559,966	4,759,204
Unrestricted funds	1,246,119	-	(603,718)	642,401
	<u>5,445,357</u>	<u>-</u>	<u>90,900</u>	<u>5,536,257</u>

Company - 2021

	Tangible Assets	Investments	Net current Assets less non-current liabilities	Total
	£	£	£	£
Restricted funds	-	-	539,139	539,139
Designated funds	4,017,066	-	1,061,744	5,078,810
Unrestricted funds	1,239,335	5,992	(602,926)	642,401
	<u>5,256,401</u>	<u>5,992</u>	<u>997,957</u>	<u>6,260,350</u>

Company - 2020

	Tangible Assets	Investments	Net current Assets less non-current liabilities	Total
	£	£	£	£
Restricted funds	-	-	134,652	134,652
Designated funds	4,199,238	-	559,966	4,759,204
Unrestricted funds	1,246,119	2	(603,720)	642,401
	<u>5,445,357</u>	<u>2</u>	<u>90,898</u>	<u>5,536,257</u>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

25. Restricted funds

Group and Company - 2021

	Notes	Brought Forward £	Income £	Expenditure £	Carried Forward £
Production Programme	(a)	9,018	321,064	(91,401)	238,681
Development Programme	(b)	51,584	134,716	(36,115)	150,185
Non-programme	(c)	74,050	93,210	(16,987)	150,273
		<u>134,652</u>	<u>548,990</u>	<u>(144,503)</u>	<u>539,139</u>

Group and Company - 2020

	Notes	Brought Forward £	Income £	Expenditure £	Carried Forward £
Production Programme	(a)	85,050	135,400	(211,432)	9,018
Development Programme	(b)	75,446	72,737	(96,599)	51,584
Non-programme	(c)	64,225	55,560	(45,735)	74,050
		<u>224,721</u>	<u>263,697</u>	<u>(353,766)</u>	<u>134,652</u>

(a) Production Programme

Funding received in support of the company's main programme of productions.

Scenes for Survival, the company's acclaimed digital response to the COVID-19 pandemic in the form of a large collection of filmed short plays, received funding from Screen Scotland in 2020-21.

A participatory project created for LGBTQ+ elders and one of several key projects translated to a digital format in 2020-21, **The Coming Back out Ball** attracted funding support from the Mickel Fund.

Creative Scotland provided funding in 2020-21 in support of the planned production of **Who Killed Katie**. This production was cancelled due to the pandemic, however, it was agreed that funding would cover work already carried out in respect of this project. This is treated as exceptional income in the year.

Funding was received in 2020-21 from Garfield Weston Foundation and Richard Buccleuch to support the creation of a hybrid theatre/film production in 2021-22. These funds will therefore be carried forward for use in the next financial year.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

25. Restricted funds - continued

(b) Development Programme

Funding received to expand the company's programme of production and talent development, including a challenging social care engagement project adapted for delivery during the pandemic (Scottish Power Foundation, The Rayne Foundation and Scottish Children's Lottery), support for general talent development activity (Esmee Fairbairn Foundation) and Gaelic activity (Bord na Gaidhlig). Other projects attracting funding include planned engagement with schools to develop knowledge and interest in the wide range of career opportunities available in the arts (Educational Institute of Scotland and Nimar Charitable Trust).

(c) Non-Programme

This includes capital grant funding from the Scottish Government for the replacement of several items of technical and office ICT equipment (received in 2017-18 and 2019-20) and for the installation of solar panels at Rockvilla (2020-21). These amounts are released in line with depreciation. Additional funding was received from the Scottish Government in 2020-21 to support a pay uplift for employees and freelance workers as well as planned work placements through the Kickstart Scheme, a government initiative supporting young people at risk of long-term unemployment.

Other funding received includes support for First Nights; a programme of activity enabling disadvantaged groups to engage with their first experience of live performance (funders include EC Hendry Trust, JTH Charitable Trust, Commonweal Fund and Stevenston Charitable Trust). Whilst live theatre has been on hold in 2020-21 this funding will be carried forward to support future activity.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

26. Designated and unrestricted funds

Group - 2021

	Notes	Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
New writing and project commissions	(a)	217,638		(130,749)	168,175	255,064
Property	(b)	4,199,238		(182,197)	25	4,017,066
General	(c)	342,328	-	(342,328)	806,680	806,680
Total Designated Funds		<u>4,759,204</u>	<u>-</u>	<u>(655,274)</u>	<u>974,880</u>	<u>5,078,810</u>
Unrestricted funds		<u>642,401</u>	<u>4,950,744</u>	<u>(3,975,964)</u>	<u>(974,880)</u>	<u>642,401</u>
		<u>5,401,605</u>	<u>4,950,744</u>	<u>(4,631,138)</u>	<u>-</u>	<u>5,721,211</u>

(a) New writing and project commissions

To provide for all future stage payments on new writing and project commissions contracted before 31 March 2021.

(b) Property

Funding received from a range of funders and donors in relation to the planning, development and construction of new company premises. Balance transferred from restricted funds in 2018-19 following project completion and will continue to be released in line with depreciation.

(c) General

To provide funding for the 2021-22 and 2022-23 budget and programme of activities, including production development and production programme activity that has been delayed or rescheduled as a result of the pandemic.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

26. Designated and unrestricted funds - continued

Group – 2020

	Notes	Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
New writing and project commissions	(a)	65,473	188,226	(36,061)	-	217,638
Property	(b)	4,379,632	322	(180,716)	-	4,199,238
General	(c)	391,418	-	(49,090)	-	342,328
Total Designated Funds		<u>4,836,523</u>	<u>188,548</u>	<u>(265,867)</u>	<u>-</u>	<u>4,759,204</u>
Unrestricted funds		<u>530,532</u>	<u>5,222,486</u>	<u>(5,110,617)</u>	<u>-</u>	<u>642,401</u>
		<u><u>5,367,055</u></u>	<u><u>5,411,034</u></u>	<u><u>(5,376,484)</u></u>	<u><u>-</u></u>	<u><u>5,401,605</u></u>

(a) New writing and project commissions

To provide for all future stage payments on new writing and project commissions contracted before 31 March 2020.

(b) Property

Funding received from a range of funders and donors in relation to the planning, development and construction of new company premises. Balance transferred from restricted funds in 2018-19 following project completion and will continue to be released in line with depreciation.

(c) General

To provide funding for the 2020-21 budget and programme of activities.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

26. Designated and unrestricted funds - continued

Company - 2021

	Notes	Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
New writing and project commissions	(a)	217,638	-	(130,749)	168,175	255,064
Property	(b)	4,199,238	-	(182,197)	25	4,017,066
General	(c)	342,328	-	(342,328)	806,680	806,680
Total Designated Funds		<u>4,759,204</u>	<u>-</u>	<u>(655,274)</u>	<u>974,880</u>	<u>5,078,810</u>
Unrestricted funds		<u>642,401</u>	<u>5,701,084</u>	<u>(4,726,204)</u>	<u>(974,880)</u>	<u>642,401</u>
		<u>5,401,605</u>	<u>5,701,084</u>	<u>(5,381,478)</u>	<u>-</u>	<u>5,721,211</u>

(a) New writing and project commissions

To provide for all future stage payments on new writing and project commissions contracted before 31 March 2021.

(b) Property

Funding received from a range of funders and donors in relation to the planning, development and construction of new company premises. Balance transferred from restricted funds in 2018-19 following project completion and will continue to be released in line with depreciation.

(c) General

To provide funding for the 2021-22 and 2022-23 budget and programme of activities, including production development and production programme activity that has been delayed or rescheduled as a result of the pandemic.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

26. Designated and unrestricted funds – continued

Company – 2020

	Notes	Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
New writing and project commissions	(a)	65,473	188,226	(36,061)	-	217,638
Property	(b)	4,379,632	322	(180,716)	-	4,199,238
General	(c)	391,418	-	(49,090)	-	342,328
Total Designated Funds		<u>4,836,523</u>	<u>188,548</u>	<u>(265,867)</u>	<u>-</u>	<u>4,759,204</u>
Unrestricted funds		<u>530,532</u>	<u>6,867,285</u>	<u>(6,755,416)</u>	<u>-</u>	<u>642,401</u>
		<u><u>5,367,055</u></u>	<u><u>7,055,833</u></u>	<u><u>(7,021,283)</u></u>	<u><u>-</u></u>	<u><u>5,401,605</u></u>

(a) New writing and project commissions

To provide for all future stage payments on new writing and project commissions contracted before 31 March 2020.

(b) Property

Funding received from a range of funders and donors in relation to the planning, development and construction of new company premises. Balance transferred from restricted funds in 2018-19 following project completion and will continue to be released in line with depreciation.

(c) General

To provide funding for the 2020/21 budget and programme of activities.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2021

27. Reconciliation of net income to net cash flow from operating activities

Group

	2021	2020
	£	£
<i>Net income/(expenditure) for the reporting period</i>	724,093	(55,519)
Depreciation	277,920	266,548
Decrease in debtors	77,242	103,871
(Decrease) in creditors	(116,761)	(89,199)
Investment income	(1,033)	(5,571)
(Gain) on investments	(5,940)	-
<i>Net cash provided by operating activities</i>	955,521	220,130

Company

	2021	2020
	£	£
<i>Net income/(expenditure) for the reporting period</i>	724,093	(55,519)
Depreciation	277,920	266,548
Decrease in debtors	1,208,399	155,418
(Decrease) in creditors	(1,247,918)	(140,746)
Investment income	(1,033)	(5,571)
(Gain) on investments	(5,940)	-
<i>Net cash provided by operating activities</i>	955,521	220,130

28. Guarantees

The Company's banking provider, Royal Bank of Scotland, has a floating charge over the assets of National Theatre of Scotland. This was established as security in relation to a £50,000 overdraft facility. The overdraft facility has been cancelled but the charge has been retained to allow flexibility to re-establish the overdraft facility if required.

29. Capital Commitments

At the year end, the company had a commitment to the value of £19,926 in relation to the purchase of capital equipment (land and buildings).

30. Post Balance Sheet Event

Strange Case of J&H Limited was incorporated on 29th April 2021 to enable the creation of a hybrid theatre/film production and the associated claim for film tax relief. National Theatre of Scotland and Selkie Productions are co-producers on the project and will own 51% and 49% of the share capital respectively. National Theatre of Scotland therefore holds a controlling interest in the new entity. The registered office is Rockvilla, 125 Craighall Road, Glasgow, G4 9TL.