



(a company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 March 2020

Company Number: SC234270

Charity Number: SC033377

NATIONAL THEATRE OF SCOTLAND

Report and Financial Statements

For the year ended 31 March 2020

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NATIONAL THEATRE OF SCOTLAND

Chair's Statement

For the year ended 31 March 2020

I am very pleased to introduce the National Theatre of Scotland's 2019/20 annual report and to reflect on what has been a bold, creative and successful year for the Company.

The urgency of giving a platform to artists that bring a different outlook to the world we live in and in telling the stories of those that have been marginalised seems to be even more acute as I write these lines in the summer of 2020. This year National Theatre of Scotland has produced important work that speaks to a modern Scotland, reflecting on identity, race, disability and sexuality; has supported exciting new talent on and off stage; has explored new ways of making theatre involving audiences and participants; and continues, quite simply, to offer joyous theatre experiences to people of all ages across Scotland.

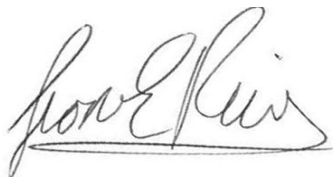
The tireless commitment to serve the whole of Scotland brought the company to 96 different locations in Scotland (including eight islands), performing in community theatres and halls as well as traditional venues. The company also represented Scotland on the world stage with four international tours to Japan, Germany, Ireland and Portugal during this period.

The Company is dedicated to making a positive impact in the sector and in society. The National Theatre of Scotland has continued to develop innovative projects which engage in meaningful and transformative ways with communities. It is always heartening to read participants' feedback; proof, if ever we needed it, of the deeply transformative power of theatre and engaging in creative activities.

I would like to thank Brenna Hobson, Deputy Chief Executive and Caroline Newall, Director of Artistic Development who took on the role of acting Chief Executive and Artistic Director respectively whilst Jackie Wylie was on maternity leave. They provided excellent leadership and essential continuity during this period. My thanks go to all the staff, the artists, creatives, partners and collaborators, who inspire, shape and deliver the work and to our generous supporters, particularly the Scottish Government and the Cabinet Secretary, Fiona Hyslop MSP who make it all possible.

My thanks also go to the members of the National Theatre of Scotland Board. They can always be relied upon to give generously and enthusiastically of their expertise and their time and to ensure that Scotland's national theatre is a model of good governance.

It is impossible for me not to mention the current COVID-19 crisis and the consequent economic, political and social challenges for the year ahead. I believe National Theatre of Scotland's unique model and clear sense of purpose and mission puts it in a privileged position to respond creatively to these challenges, providing innovative solutions to support the sector and continue to engage with audiences far and wide.



Seona Reid DBE
Chair

24 September 2020

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2020

The directors have pleasure in presenting the Director's Report (incorporating the Strategic Report) for the year ended 31 March 2020. 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. Founded 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 2020

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."

The year in summary:

- 17 different productions, 6 of them world premieres.
- Touring far and wide in Scotland: 96 unique locations (including 8 islands) in 27 out of 32 local authorities.
- 4 International tours in Japan, Germany, Ireland and Portugal with a total of 20 performances.
- 196 performances overall
- 537 Performers' weeks, 165 Stage Managers' weeks

2019/20 AWARDS

- Winner of a Critics Award for Theatre in Scotland - Best Music and Sound for *My ~~Left~~/Right Foot - The Musical*. (Six additional nominations)
- Nominated for an Excellence in Touring award at the UK Theatre Awards (*Theatre in Schools Scotland*)
- Nominated for Two Outstanding Dramatic Performance Awards (*Midsummer* and *My ~~Left~~/Right Foot - The Musical*) at the Herald Scottish Culture Awards
- Awarded a Silver LGBT Charter Mark by LGBT Youth Scotland in recognition of the hard work that has been done to make the Company the best possible place for LGBT service users and staff.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2020

Strategic Report

Achievements and performance

2019/2020 is the second year of new strategic plan (2018/23), which sets out four main strategic priorities:

1. Create Meaningful and Innovative Theatre

At the core of the National Theatre of Scotland's model is the ambition to be a Theatre for Everyone and to make exceptional, audacious, collaborative work that represents the complexity of modern Scotland. During 2019/20 the Company focused on bringing marginalised stories to the stages and addressing the lack of representation off and on stage.

"I was there with my daughter. We are expecting her to come out to us soon, but she is not quite there yet. She and I were able to discuss the prominence of Jackie's coming out to the plot of the play. Thanks for giving us the opportunity to talk about it."

Audience member (*Red Dust Road*)

The world premiere of the theatrical adaptation of Scottish Makar Jackie Kay's autobiographical novel **Red Dust Road**, which chronicles her 20-year search for her biological parents as well as her experience growing up in Scotland as the adopted, mixed-race child of lifelong committed communists. *Red Dust Road* was adapted for the stage by Tanika Gupta, directed by Dawn Walton in a HOME Manchester co-production, developed with the support of Macrobert Arts Centre. *Red Dust Road* premiered at the Edinburgh International Festival.

"A thought-provoking and poignant show about identity, performance and disruption"

**** *The Guardian (Thank You Very Much)*

A world premiere of **Thank you Very Much**: a co-commission with Manchester International Festival, National Theatre of Scotland and Perth Festival in association with tanzhaus nrw and Dance Umbrella. Created by award winning disabled artist Claire Cunningham and performed by a leading ensemble of disabled performers, *Thank you Very Much* uses the phenomenon of tribute artists as a springboard to explore impersonation, identity, acceptance and the challenges of being yourself.

The 2018 Edinburgh Fringe musical hit and co-production with Scotland's disability-led Scottish theatre company Birds of Paradise, **My Left/Right Foot: The Musical**, which joyously explores disability representation in theatre and cinema.

*"A show that blazes with brilliance throughout, transforming Fagan's story and poetry into a shared theatrical rallying - cry for a broken world, one that can only be redeemed by the dreams of the young - and the braver and wilder, the better." ****The Scotsman (The Panopticon)*

The world premiere of **The Panopticon** adapted for the stage by Jenni Fagan from her debut novel and directed by Debbie Hannan. *The Panopticon* follows fifteen-year old Anais, who has been let down by just about every adult she has ever met; but traumatic care experiences, violence, drugs and bullying have not tamed this smart, funny and fierce heroine.

'The topic is also so key for Scotland, there is certainly a lack of diversity, so I'm glad she has found/been given a platform to tell her story.' Audience member (*The Drift*)

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2020

Achievements and performance (continued)

The Drift, written and performed by Hannah Lavery and directed by Eve Nicol, is a beautiful story of love, loss, and bereavement, as well as a searing portrayal of growing up mixed race in Scotland. Developed through the Company's Engine Room programme, *The Drift* was produced with the support of Flint & Pitch and The Workers Theatre with the Coalition of Racial Equality and Rights a part of Black History Month 2019.

National Theatre of Scotland is also dedicated to developing the theatre art form and supporting contemporary artists who are breaking new grounds in live performance. This responds to audiences' increasing appetite for experiential activities and helps complement the theatre offering in Scotland.

Two form-bending works, ***Death Becomes Us*** by Leonie Rae Gasson and ***Cadaver Police In Quest Of Aquatraz Exit*** by Alan McKendrick, both originally created for the National Theatre of Scotland's event ***Dear Europe***, were invited to perform at a major international arts festival in Germany.

All notions of what theatre is, was and could be are confounded and subverted (...). A bold, playful and ever-expanding theatrical mash-up that provokes, meditates, sings, shouts and dances its way through a mixed-up, muddled up, shook-up world with glorious abandon.

**** The Herald (*Them!*)

Them!, a visionary new multi-media performance event from Stewart Laing and long-term collaborator Pamela Carter, tackles the nebulous nature of identity in a changing world. A TV show set, a club, and an ant colony inhabiting a perspex town are all part of the unique journey experienced by the audience in this groundbreaking new work.

This is a brilliant meta-theatrical experiment. It is touched not by god but by sheer theatrical genius.

***** The Arts Desk (*Total Immediate Collective Imminent Terrestrial Salvation*)

Total Immediate Collective Imminent Terrestrial Salvation is a new work from celebrated theatre maker and writer Tim Crouch, directed by Karl James and Andy Smith, and was presented in association with the Royal Court Theatre, in Association with Teatro do Bairro Alto, Lisbon and Attenborough Centre for the Creative Arts (ACCA). The play explores the story of a man who manipulates a group of people to sit in a place together and believe in something that isn't true. *Total Immediate Collective Imminent Terrestrial Salvation* premiered at the Edinburgh International Festival.

The Company is also committed to programming that celebrates the potential of theatre as a 'good night out'

'I thoroughly enjoyed the topic, the humour throughout, the music mix of Gaelic and English songs (...) well done National Theatre of Scotland for your emphasis on inclusion both in signing and in your promotion of the Gaelic language.' - Audience member (*The Cheviot...._*)

The Cheviot, the Stag and the Black, Black Oil, presented in association with Dundee Rep and Live Theatre, is one of Scotland's most iconic and influential theatre productions. First staged by the 7:84 company in the 1970s, it has lost none of its vitality and relevance, weaving political commentary with songs, poems and a freewheeling Highland ceilidh.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2020

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

The Company is committed to exploring ways in which theatre and creativity can support mental wellbeing as well as becoming a source of inspiration and growth.

For me social dance club is so much more than I thought it would be - Social - hell yeah! The participants have bonded more than I thought it could - the fact we are spending free time playing and chatting is wonderful - this has been a revelation - never thought I would adore it as much as I have'. LGBTI+ Elders Social Dance Clubs Participant

The National Theatre of Scotland is delighted to be partnering with All the Queens Men, Scotland's creative ageing organisation Luminare, and Eden Court Theatre Inverness, to deliver a year-long cultural engagement programme created for the older LGBTI+ community in Scotland. The *LGBTI+ Elders Social Dance Clubs* are a welcoming space for the whole rainbow community to come together to dance, share stories, and meet new people. All The Queens Men started these events in Melbourne, Australia to celebrate a generation discriminated against for years and who, according to recent findings, fear having to "return to the closet" as they get older.

'When you're here you can forget all the other stuff going on at home or in school.'
Like Flying Participant

Like Flying was created by the National Theatre of Scotland working in partnership with SAMH (Scottish Association for Mental Health) and in association with East Ayrshire Council and Edinburgh City Council; a new participatory project led by Nic Green, one of the Company's Artists in Residence and a leading Scottish theatre-maker. Artistic teams from the National Theatre of Scotland worked in schools in Edinburgh and Ayrshire to teach young teenagers, from a diversity of backgrounds, how to fly. The young people were trained in aerial performance methods and creatively involved in devising a new work over a period of six months, resulting in a deeply moving performance in their own schools, shared with audiences.

Ferry Tales was a project supported by EventScotland's Year of Coasts and Waters 2020 Events Fund, that was going to be delivered with the support of Caledonian MacBrayne & their ferries. It was set to bring a unique theatrical experience on board particular CalMac ferry routes, before unfortunately being cancelled due to the COVID-19 crisis. As part of that project the Company worked with communities in Rothesay, Tobermory, Stornoway and Salen to create a soundscape that would welcome ferry travellers into their communities as part of their journey. The Company is currently exploring ways of bringing this project back when the lifting of COVID-19 restrictions makes it possible to do so.

In 2019, National Theatre of Scotland created two new **Creative Careers** engagement opportunities to encourage young people to explore the possibility of a career within the creative industries. Sessions were designed to help demystify the creative process and to give a unique insight into the hive of artistic, technical and administrative processes associated with creating, producing and touring theatre.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2020

Achievements and performance (continued)

National Theatre of Scotland supported by Aberdeen Standard Investments continued its relationship with the young people in HMYOI Polmont that started during the Company's **Futureproof Programme** as part of Year of Young People 2018. In 2019 **Polmont Youth Theatre** was created by Glass Performance and supported by the National Theatre of Scotland, becoming the first in-house youth theatre within a Scottish prison.

During the run of **Red Dust Road** at the Edinburgh International Festival, both organisations delivered a creative writing and dramaturgy workshop for Higher and Advanced pupils at five Edinburgh schools. The workshop explored bringing great tales to the stage, the development of text into playwriting and the process of telling other people's stories through theatre.

Learning and Change Making

In 2019/20 National Theatre of Scotland progressed well in some areas of learning and change-making, with a particular focus on best practice working with members of LGBTI+ communities and mental health and wellbeing, but the Company recognises that it still has a long way to go to evolve into a just, fair and anti-racist organisation.

National Theatre of Scotland understands that without an uprooting of inherent conscious and unconscious racist attitudes, policies and practices, the organisation will continue to create barriers and exclude people from working for and engaging with the company. National Theatre of Scotland has therefore taken on new activities to educate all members of the organisation across the board and develop an anti-racism action plan, including in 2020/21 the setup of an Anti-Racism Working Group made up of staff, associate artists and board members.

2019/20 Activities:

- Cross-departmental working groups including Safe and Well, and Access and Equalities that allowed us to work collectively and holistically across the Company's broad slate of activities and embed change throughout the organisation.
- Dementia training from LGBT Age to ensure National Theatre of Scotland can provide accessible and dementia friendly spaces at work.
- Working in partnership with Luminate, Scotland's Creative Ageing Organisation, the Equalities Network, Care Commission and Care Inspectorate to support best practice delivery of the Company's work with and for older members of the community.
- Continuing to work in partnership with the National Autistic Society Scotland on the Limitless programme and in the delivery of Autism Friendly performances, part of the increased 2019 commitment to ensure all productions are accessible to non-neuro typical, gender diverse, d/Deaf/BSL Using and Visually Impaired audiences. This new programme of increased access to shows was supported by partnerships with Solar Bear, Birds of Paradise, Ink Blot, Sign Arts, Turtleair, Audio Description Association Scotland and Scottish Trans Alliance.
- National Theatre of Scotland also made a significant investment into Mental Health training resulting in 12 trained Mental Health First Aiders as well as five staff members becoming Guardians through the Old Vic Guardians Programme, to offer a confidential outlet for colleagues to share concerns about behaviour or the culture at work.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2020

Achievements and performance (continued)

- The Company continued to act as a Strategic Partner in the UK wide PIPA campaign, supporting parents and carers to access and retain careers in the arts through the adaptation of process and policy to create more flexible working practices for all.
- All staff undertook Unconscious Bias Training and National Theatre of Scotland joined the Stage Sight Campaign, 'to promote an off stage workforce that is more reflective of our society today, inclusive of ethnicity, class and disability'.

In May 2020, National Theatre of Scotland was delighted to be awarded the Silver LGBT Charter Mark by LGBT Youth Scotland in recognition of the hard work that had been done by the Company over the 2019/20 period to make it the best possible place for LGBT service users and staff.

Training opportunities, talent development and sector support

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.

ENGINE ROOM

Established in 2018, this programme provides development opportunities for artists throughout Scotland. Opportunities in 2019/20 included communal working sessions, free rehearsal space, ideas surgeries, skill sharing, access to National Theatre of Scotland rehearsals and productions, masterclasses, cross art-form development, script reading, script surgeries and paid artist residencies. Activities were delivered in Glasgow, Dundee, Orkney, Inverness, Duns, Hawick, Peebles, Dumfries and Perth.

STARTER ARTIST PROGRAMMES

A tailored annual programme for eight artists to be offered space, budget and resources to develop creative ideas in Rockvilla with full access to organisational support. In 2019/20 eight artists were selected to receive this artist development bursary. Six of the eight residencies were targeted towards artists with specific practice, skills or experience. These targeted opportunities were for an artist of colour, a female identifying / non-binary assistant lighting designer, a Dumfriesshire based artist, a neurodiverse artist, a female identifying / non-binary political comedy writer and an artist using minority language (BSL, Scots, Gaelic).

JUST START HERE

A pop-up festival celebrating new work and Scottish artists. This new work-in-progress platform provides artists with the opportunity to present work that is ready to be tested in front of an audience. It is also a meeting place for artists from different artforms to share their work and practice, sparking new ideas and collaborations. In 2019/20 **Just Start Here** was presented in Dumfries in partnership with The Stove Network, and included work by Mele Broomes, Stuart Macpherson, Emma Dove and Pete Smith, Sean Wai Keung, Two Destination Language, Uma Nada-Rajah, Jenny Knotts and Lisa Keddie, Alicia Matthews, and Sweatshops.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2020

Achievements and performance (continued)

LIMITLESS

A partnership with the Royal Conservatoire of Scotland and the National Autistic Society Scotland that aims to shift attitudes and create opportunities for autistic individuals who are interested in theatre and drama as a potential creative and social activity. In 2019 a hosted public discussion called *Artists Talk Autism* explored neurodivergent work and artist experiences. As a result, an independent group of artists have formed the Scottish Neurodiverse Performance Network.

OTHER ARTISTIC AND SECTOR SUPPORT

The Company operates a script reading programme with the support of a highly skilled script reading panel. In 2019/20 the Company had 37 new works in development, with an emphasis on work that has the potential to fill large scale theatres, ensuring a constant stream of projects at different stages of development, and providing works for future programmes.

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 2019/20 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.

Environmental sustainability

The National Theatre of Scotland continues to explore ways of becoming a more sustainable organisation and performing a leading role in environmental best practice for the Scottish theatre sector.

Concrete actions undertaken in 2019/20 include:

- The Company has set up a Green (Sustainability) Team, with representation across the organisation, including the board, which meets regularly to progress discussions and initiatives
- A comprehensive sustainability policy was updated, and concrete initiatives were rolled out during this period
- Appointment of a Green Champion at Board level
- All designers' contracts now have a clause which states that at least 50% of their design must come from reclaimed, reused or recycled materials.
- Significant reduction of the use of air travel within the UK and expanding the use of video conferencing to reduce the need for international travel.
- All staff that drive for business, including freelancers, are expected to take fuel efficiency driving training
- All cleaning products have been changed to eco-friendly versions.
- Creation of a hard-to-recycle plastic recycling centre in the foyer at Rockvilla that is open to the public and advertised on Terracycle.
- Ongoing upgrading of our building systems to ensure maximum energy efficiency.
- Rockvilla is in the process of becoming a single use plastic free building.
- National Theatre of Scotland is also reducing the use of paper across all activities, with the use of apps or online solutions for tour packs, scripts, expenses and credit card claiming and pay slips, a reductions of print advertising in favour of digital marketing and the use of e-tickets across all tours ticketed by the organisation.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2020

Achievements and performance (continued)

3. Reach and Engage the Broadest Possible Audience

The National Theatre of Scotland is determined to be a 'theatre for everyone', working to bring theatre wherever there are audiences to enjoy it. In 2019/20, the Company toured productions 27 out of 32 Scottish local authorities (including eight islands), the UK and internationally (Japan, Germany, Ireland and Portugal) across 107 different venues and schools.

The audience reactions to our shows were very positive with a promoter score of 73, showing a high level of satisfaction and loyalty overall (scores over 50 are deemed excellent). Moreover, 96% thought the production they saw was well produced and presented, 90% thought it was important the show came to their location and 72% reported the production was different from those they had experienced before.

Audience Development

'They (pupils) so seldom have access to theatre performances and this was a first class example..... Never seen such young children so mesmerised for that length of time. They enjoyed it so much!' Uig Primary, Eilean Siar on *Lifeboat*

National Theatre of Scotland is committed to bring high quality theatre to all ages, helping to grow the audiences of the future. **Theatre In School Scotland**, delivered in partnership with Imagineate, continues to bring the joy of theatre and dance to school children across Scotland. In 2019/20 six productions toured: *A Ladder to the Stars* presented by Visible Fictions and Aberdeen Performing Arts; *Cloud Man* presented by Ailie Cohen Puppet Maker; *Mikey and Addie* presented by Red Bridge Arts; Daniel Padden's *WhirlyGig* presented by Red Bridge Arts and Catherine Wheels; *Lifeboat* presented by Catherine Wheels; and *Slug* presented by Visible Fictions.

Theatre for a Fiver: a free scheme which offers young people £5 tickets to National Theatre of Scotland productions, encouraging increased access to live theatre in their community. This initiative grew by 75% in 2019/20.

First Nights: a programme focused on creating unforgettable theatrical experiences for first-time theatregoers from disadvantaged backgrounds, including free tickets, behind the scenes workshops, access to creatives, transport and hospitality.

Opening Access

Autism friendly performances: as part of a continued partnership with the National Autistic Society Scotland, the Company is committed to making every production autism friendly, in order to better open up theatre to neurodiverse audiences. Training for venues and companies is provided throughout the year, and there is also a programme of relaxed performances across productions.

Integrated British Sign Language Interpretation: the Company has made a commitment to artistically embed BSL interpretation in the work presented. Interpreters occupy the same space as the actors, performing alongside and wearing appropriate costumes. This enables a more holistic approach to access and a significantly better experience for BSL users. All productions touring in Scotland included at least one performance with integrated BSL in 2019/20, with a total of 46 shows across the year.

In this period the Company also delivered 28 shows that were Audio or Verbally Described (covering 70% of the Company's productions that toured in Scotland) and 28 shows that were captioned (80% of productions).

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2020

Achievements and performance (continued)

Digital

The National Theatre of Scotland expanded its digital reach in 19/20 with the creation of online works, offered up to audiences for free. These digital artworks enable the Company to reach new audiences and help engagement with existing audiences when not touring to their localities.

The Company released two series of digital artworks in 2019/20: **Portraits of an LGBTI+ Generation**, a series of photographic and film portraits offering a unique insight into the lives of LGBTI+ elders in Scotland today, and **Dramatic Moments**, a series of short filmed monologues.

The Company also co-produced **How The Earth Must See Itself (A Thirling)**, a short film created by Lucy Cash and Simone Kenyon with Scottish Sculpture Workshop. The film was selected to be screened at several festivals, including Across the Grain Festival, Dance Live (Aberdeen); Inverness Film Festival, NewBorn Short Film Festival (Berlin) and the Glasgow Short Film Festival.

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

The COVID-19 global pandemic has had 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, currently, 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 will have work ready to go into theatre venues when social distancing is relaxed enough to make this viable.

This ability to maintain activity will need to be balanced against a likely reduction in income beyond the 2020/21 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. It is also likely that programme-based income will take time to recover. For this reason, 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.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2020

Financial review

The consolidated figures for the financial year as always reflect the scale of activity during the year. At the end of the financial year the Company went in lockdown along with rest of the UK in response to the COVID-19 crisis. While the significant financial impact of the crisis is being felt within the financial year 2020/21, there has been some impact in 2019/20. This has been in the requirement to recognise an additional £57,200 income and an additional £309,465 of expenditure, relating to productions scheduled for 2020/21 which unfortunately had to be cancelled. For transparency and to aid comparison with the prior year we have presented these as 'Exceptional Items'. The net impact on the financial year of the exceptional items is £252,265.

The outturn for the year after Theatre Tax Relief (TTR) of £383,942 (2018: £344,451) is a deficit of £55,519 (2018: £400,300 deficit). The deficit in 2019/20 is due to the requirement to recognise in the financial year, the exceptional items caused by the COVID-19 crisis. The prior year deficit was planned as part of the budget setting process and funded through the decision by the Board to designate funds from 2017/18, to support the CEO/Artistic Director's inaugural 2018/19 programme.

The group income shows a decrease from the previous year, from £5,926,777 to £5,233,589, with a corresponding decrease in expenditure from £6,671,528 in 2018/19 to £5,420,785, reflecting the scale and profile of our production programme during the year (for prior year comparison purposes the exceptional items have been excluded). As always, the largest element of the income for the year was from our Scottish Government core grant, £4,174,000.

Movement of unrestricted income funds of £111,869, has created an unrestricted operating reserve of £642,401. This further improving our financial resilience, reflecting prioritisation over the past six financial years to build an appropriate level of unrestricted reserves, particularly critical in the current economic climate.

The Board have been and continue to consider the implications of the COVID-19 crisis and its impact on the Company and the environment it operates within. Specific action has been taken in response to the crisis. This includes additional and regular review of detailed re-budgeted and re-forecast financial reports, to understand the developing financial impact; identifying and accessing appropriate Government financial support initiatives; reviewing the unrestricted reserves policy to ensure it is appropriate to the new projected 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 sector during this crisis, as outlined in further detail on page 19. Alongside the development of new digital projects for 2020/21, attention is focused on the creation of a full programme for 2021/22.

Reserves policy

The company has agreed with the Scottish Government that unrestricted reserves, excluding those reserves relating to fixed assets, of up to 10% of projected turnover may be retained. Actual free unrestricted reserves at 31 March 2020 were £642,401. Our projected income has reduced significantly due to the COVID-19 crisis, and therefore does not provide a realistic turnover level for the purposes of this measurement. We have therefore calculated the average turnover over the past 5 years to 31 March 2019 and used this as the basis of the unrestricted reserves level calculation. This equates to £684k. This has been discussed with the Scottish Government. We have used the period to 31 March 2019 to avoid any COVID-19 distortion. Total reserves as at 31 March 2020 were £5,536,257 representing 81% of calculated average turnover. The total reserves are distorted by the high level of designated property funds of £4,199,238.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2020

Financial review (continued)

To support the future plans of the company and ensure appropriate levels of working capital, the directors set an initial target to increase the level of unrestricted reserves to a total of £600,000. The Board reviewed the target and the reserves policy 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. The unrestricted reserves level as at 31 March 2020, reflects this review.

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 2018/19. A corporation tax return for the financial year 2018/19, 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.

Set up in 2008, National Theatre of Scotland America Inc. is a 501(c)(3) not-for-profit organisation which supports the work of the National Theatre of Scotland in the United States and in Scotland. Led by Chair Alan Main the Board is currently made up of 9 directors two of whom are members of the Executive and Senior Management Team of the National Theatre of Scotland. Brenna Hobson, National Theatre of Scotland Executive Producer and Stella Litchfield, Director of Development. The US Board reviews grant proposals from the National Theatre of Scotland and distributes funds to support its work touring to North America. In February & March 2019, a series of donor stewardship and cultivation events were held around performances of *Adam* at Skirball Theatre and *Anything that Gives off Light* at Joe's Pub at the Public Theatre.

COVID-19 has impacted proposed potential 2020 activity however with the production *Live Burns* (with Alan Cumming) planned to play in NY in 2021 this opportunity will be used for donor/prospect stewardship and cultivation.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2020

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 National Theatre of Scotland will shift its artistic offer to respond to changing circumstances, whether that be phased reopening ahead of theatres fully opening, a volatile situation where restrictions are relaxed and then reintroduced, or a second wave of the virus that sees lockdown extended further. The key to this approach is flexibility, preparedness, and an ability to make the best decision at the right time. This may mean that we commit 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 can ensure that there is work in development that fits to each possible scenario, 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.

At this stage the Company is working towards bringing staff back into Rockvilla in September and being able to rehearse from October. If changing circumstances mean this is not possible, plans will be adapted.

From extensive discussions with the theatre sector in Scotland the National Theatre of Scotland does not believe that it will be possible to perform in mid to large scale theatres until at least March 2021.

In the event that lockdown restrictions continue to ease in line with the Scottish Government's framework for decision making, the Company anticipates being able to shift to a mixed model of producing in the final two quarters of 2020/21. This will involve a mix of filmed work, outdoors work, and the potential for some limited socially distanced indoors work. The focus will then shift to theatre-based work for 2021/22.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2020

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.

Amendments were made to the articles of association on the 19 September 2019 to extend the duration of director's re-appointments from three years to four years. 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, reflecting the amendment at the September 2019 AGM. 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 minimal changes to the Board with just one new appointment. All new Directors 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. Key for this recruitment, in line with our commitment to broaden the diversity of the Board membership, was a focus on improving the ethnic diversity of 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 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)

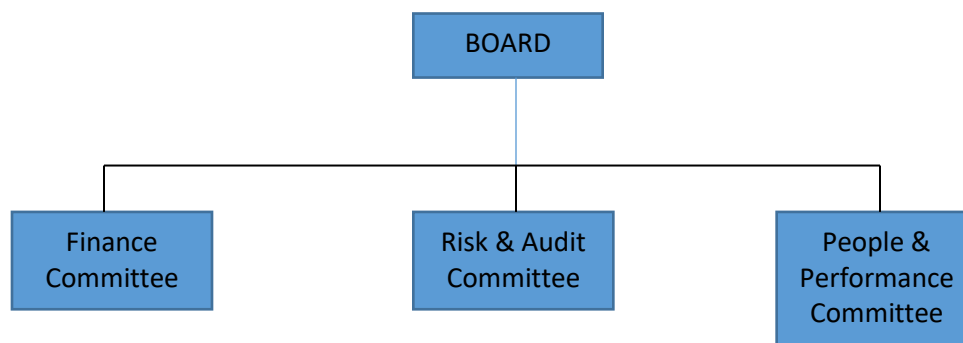
For the year ended 31 March 2020

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
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 2020

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 Tayler
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 has met 4 times to date 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 24 September 2020.

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 by staff of the work of the Board, a member of staff now attends the Board meetings as an observer.

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2020

Structure, governance and management (continued)

We continue to build on our excellent health and safety culture within the company and aim to lead and support the sector in this area. During the year, a substantive piece of work was undertaken to collate all H&S procedures and guidance and from this we have created a detailed H&S Handbook. In light of the COVID-19 crisis, we added an additional section to the Handbook to cover Epidemics and Pandemics and are undertaking further development work to reflect infection control, as well as specific COVID-19 operational guidelines to facilitate a phased and safe return to work. Over the past year, we have continued to build on work to ensure that mental health is incorporated into the organisational culture, and this has included having further members of staff trained as Mental Health First Aiders. With the COVID-19 crisis we have been very aware of the impact of this on staff wellbeing. All Wellbeing and HR policies and guidance have been reviewed for relevance to this current situation to ensure there is a supportive and adaptable environment to help staff adjust to these new working arrangements.

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 has been developed to meet the Company's needs and thereby facilitate embedding it into the management and planning cycle.

During the year we undertook a substantive review of the risk register to rationalise and consolidate the identified risks, the purpose being to ensure clarity of focus on the key organisational risks. The identified risks were grouped within the following risk categories: Financial, External forces, Reputational, Artistic, Governance and Operational.

A new 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 crisis progresses.

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

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2020

Structure, governance and management - Risk Management (continued)

Funding risk: Scottish Government core funding constitutes the majority of the company's total annual revenue income. Between 2011 and 2020 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 grants 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 year's programming.

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 2020

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 (appointed 26 June 2019)

Chief Executive and Artistic Director: Jackie Wylie
Acting Chief Executive Brenna Hobson (maternity cover 27 May 2019 to 16 February 2020)
Acting Artistic Director Caroline Newall (maternity cover 27 May 2019 to 16 February 2020)

Company Secretary Alyson Hagan

Executive Team: Jackie Wylie
Brenna Hobson
Caroline Newall (maternity cover 27 May 2019 to 16 February 2020)

Senior Management Team: Alyson Hagan
Caroline Newall
Gemma Swallow
Stella Litchfield
Charlotte Gross
Laura Clark

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2020

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 25 Bothwell Street Glasgow G2 6NL

NATIONAL THEATRE OF SCOTLAND

Directors' Report (incorporating the Strategic Report)

For the year ended 31 March 2020

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:

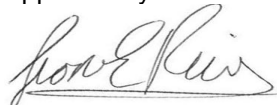
- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the group's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

Auditor

The appointed auditor, Scott-Moncrieff, changed their name on 7 September 2020 to Azets Audit Services. Azets Audit Services have expressed their willingness to continue in office as auditor and will be proposed for reappointment at the forthcoming Annual General Meeting in accordance with section 485 of the Companies Act 2006.

Approved by the directors and signed on their behalf by:



Seona Reid DBE, Chair
24 September 2020

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 2020

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 2020 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2020 and of the group's and parent charitable company's 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 ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group and company's ability to continue as a going concern. For example, the impact of COVID-19 on the group and company's activities, suppliers, employees and other stakeholders and on the wider economy in general is difficult to evaluate.

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 2020

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 and proper 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 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.

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 2020

Responsibilities of the directors

As explained more fully in the directors' responsibilities statement set out on page 22, the directors (who are the directors for the purposes of company law and trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the 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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made 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 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 2020

Use of our report (continued)

Our audit work has been undertaken so that we might state to the parent charitable company's members, as a body, and the charitable company's directors as a body, those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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

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

25 Bothwell Street

Glasgow

G2 6NL

24 September 2020

NATIONAL THEATRE OF SCOTLAND

Consolidated Statement of Financial Activities
and Income & Expenditure Account

For the year ended 31 March 2020

	Notes	Restricted Funds £	Designated and Unrestricted Funds £	Year ended 31 March 2020 Total Funds £	Year ended 31 March 2019 Total Funds £
Income from:					
Donations and legacies	5	185,037	4,377,301	4,562,338	4,926,376
Income from charitable activities	6	4,260	607,416	611,676	852,250
Other trading activities	7	30,800	23,204	54,004	143,216
Income from investments		-	5,571	5,571	4,935
<i>Exceptional Item - 20/21 Programme</i>	8	<i>43,600</i>	<i>13,600</i>	<i>57,200</i>	<i>-</i>
Total income		263,697	5,027,092	5,290,789	5,926,777
Expenditure on:					
Raising funds	9	-	216,300	216,300	220,567
Charitable activities:					
Core costs	10, 12	137,334	2,653,375	2,790,709	2,874,078
Programme and project development		172,832	2,017,058	2,189,890	3,150,663
Marketing		-	223,886	223,886	426,220
		310,166	4,894,319	5,204,485	6,450,961
<i>Exceptional item - 20/21 Programme</i>	11	<i>43,600</i>	<i>265,865</i>	<i>309,465</i>	<i>-</i>
Total expenditure		353,766	5,376,484	5,730,250	6,671,528
Net (expenditure) before theatre tax credits		(90,069)	(349,392)	(439,461)	(744,751)
Theatre tax credit	14	-	383,942	383,942	344,451
Net movement in funds		(90,069)	34,550	(55,519)	(400,300)
Reconciliation of funds:					
Total funds brought forward	25, 26	224,721	5,367,055	5,591,776	5,992,076
Total funds carried forward	25, 26	134,652	5,401,605	5,536,257	5,591,776

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 2020

	Notes	Restricted Funds £	Designated and Unrestricted Funds £	Year ended 31 March 2020 Total Funds £	Year ended 31 March 2019 Total Funds £
Income from:					
Donations and legacies	5	185,037	4,377,301	4,562,338	4,926,376
Income from charitable activities	6	4,260	2,623,126	2,627,386	3,477,627
Other trading activities	7	30,800	23,204	54,004	143,216
Income from investments		-	5,571	5,571	4,935
<i>Exceptional Item - 20/21 Programme</i>	8	<i>43,600</i>	<i>13,600</i>	<i>57,200</i>	-
Total income		263,697	7,042,802	7,306,499	8,552,154
Expenditure on:					
Raising funds	9	-	216,300	216,300	220,567
Charitable activities:					
Core costs	10, 12	137,334	2,653,375	2,790,709	2,874,078
Programme and project development		172,832	3,661,857	3,834,689	5,441,664
Marketing and development		-	223,886	223,886	426,220
		310,166	6,539,118	6,849,284	8,741,962
<i>Exceptional item - 20/21 Programme</i>	11	<i>43,600</i>	<i>265,865</i>	<i>309,465</i>	-
Total expenditure		353,766	7,021,283	7,375,049	8,962,529
Net income / (expenditure) before theatre tax credits		(90,069)	21,519	(68,550)	(410,375)
Theatre tax credit	14	-	13,031	13,031	10,075
Net movement in funds		(90,069)	34,550	(55,519)	(400,300)
Reconciliation of funds:					
Total funds brought forward	25, 26	224,721	5,367,055	5,591,776	5,992,076
Total funds carried forward	25, 26	134,652	5,401,605	5,536,257	5,591,776

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

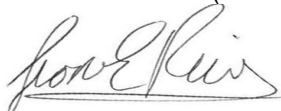
Consolidated Balance Sheet

As at 31 March 2020

	Notes	Restricted Funds £	Designated and Unrestricted Funds £	2020 Total funds £	2019 Total funds £
Fixed assets					
Tangible assets	17	-	5,445,357	5,445,357	5,582,482
Investments	18	-	-	-	-
		-	5,445,357	5,445,357	5,582,482
Current assets					
Debtors	19	-	616,725	616,725	720,596
Cash at bank and in hand	20	134,652	1,546,403	1,681,055	1,681,540
		134,652	2,163,128	2,297,780	2,402,136
Liabilities					
Creditors: Amounts falling due within one year	21	-	(688,301)	(688,301)	(777,016)
Net current assets		134,652	1,474,827	1,609,479	1,625,120
Total assets less current liabilities		134,652	6,920,184	7,054,836	7,207,602
Creditors: Amounts falling due after more than one year	22	-	(1,518,579)	(1,518,579)	(1,615,826)
Total net assets		134,652	5,401,605	5,536,257	5,591,776
The funds of the company:					
Restricted income funds	25	134,652	-	134,652	224,721
Designated funds	26	-	4,759,204	4,759,204	4,836,523
Unrestricted income funds	26	-	642,401	642,401	530,532
		134,652	5,401,605	5,536,257	5,591,776

The financial statements were authorised for issue by the Board of Directors on 24 September 2020 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

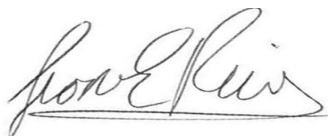
Company Balance Sheet

As at 31 March 2020

	Notes	Restricted Funds £	Designated and Unrestricted Funds £	2020 Total funds £	2019 Total funds £
Fixed assets					
Tangible assets	17	-	5,445,357	5,445,357	5,582,482
Investments	18	-	2	2	2
		-	5,445,359	5,445,359	5,582,484
Current assets					
Debtors	19	-	2,496,560	2,496,560	2,651,978
Cash at bank and in hand	20	134,652	1,546,403	1,681,055	1,681,540
		134,652	4,042,963	4,177,615	4,333,518
Liabilities					
Creditors: Amounts falling due within one year	21	-	(2,568,138)	(2,568,138)	(2,708,400)
Net current assets					
		134,652	1,474,825	1,609,477	1,625,118
Total assets less current liabilities					
		134,652	6,920,184	7,054,836	7,207,602
Creditors: Amounts falling due after more than one year	22	-	(1,518,579)	(1,518,579)	(1,615,826)
Total net assets					
		134,652	5,401,605	5,536,257	5,591,776
The funds of the company:					
Restricted income funds	25	134,652	-	134,652	224,721
Designated funds	26	-	4,759,204	4,759,204	4,836,523
Unrestricted income funds	26	-	642,401	642,401	530,532
		134,652	5,401,605	5,536,257	5,591,776

The financial statements were authorised for issue by the Board of Directors on 24 September 2020 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 2020

	Notes	Total funds 2020 £	Prior Year funds 2019 £
Cash flows from operating activities:			
<i>Net cash provided by operating activities</i>	27	220,130	384,958
Cash flows from investing activities:			
Interest received		5,571	4,935
Purchase of tangible fixed assets		(129,423)	(100,193)
Proceeds from sale of fixed assets		-	-
<i>Net cash (used in) investing activities</i>		(123,852)	(95,258)
Cash flows from financing activities:			
Cash inflows from new borrowing		-	-
Repayments of borrowing		(96,763)	(96,282)
<i>Net cash (used in) financing activities</i>		(96,763)	(96,282)
<i>Change in cash in the reporting period</i>		(485)	193,418
Cash at the beginning of the reporting period		1,681,540	1,488,122
<i>Cash at the end of the reporting period</i>		1,681,055	1,681,540
Components of cash and cash equivalents:			
Cash at bank and in hand	20	1,681,055	1,681,540

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 2020

	Notes	Total funds 2020 £	Prior Year funds 2019 £
Cash flows from operating activities:			
<i>Net cash provided by operating activities</i>	27	220,130	384,958
Cash flows from investing activities:			
Interest received		5,571	4,935
Purchase of tangible fixed assets		(129,423)	(100,193)
Proceeds from sale of fixed assets		-	-
<i>Net cash (used in) investing activities</i>		(123,852)	(95,258)
Cash flows from financing activities:			
Cash inflows from new borrowing		-	-
Repayments of borrowing		(96,763)	(96,282)
<i>Net cash (used in) financing activities</i>		(96,763)	(96,282)
<i>Change in cash in the reporting period</i>		(485)	193,418
Cash at the beginning of the reporting period		1,681,540	1,488,122
<i>Cash at the end of the reporting period</i>		1,681,055	1,681,540
Components of cash and cash equivalents:			
Cash at bank and in hand	20	1,681,055	1,681,540

The accompanying notes form part of these financial statements

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements

For the year ended 31 March 2020

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 20 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 2020

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 2020.

Going concern

The financial statements are prepared on the basis that the group and 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.
- 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

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2020

2. Principal accounting policies - continued

Expenditure (continued)

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

Due to the requirement to cancel the majority of our 2020/21 production programme due to the COVID-19 outbreak, the associated costs and income incurred in 2019/20 for the cancelled 2020/21 productions have been recognised in the 2019/20 financial statements.

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 the contributions payable to the schemes in respect of the year.

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.

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

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2020

2. Principal accounting policies - continued

Fixed assets and depreciation (continued)

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.

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 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.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2020

2. Principal accounting policies - continued

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 depreciation rates.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2020

4. Comparative Statement of Financial Activities

Group

For the year ended 31 March 2019

	Restricted Funds £	Designated and Unrestricted Funds £	Year ended 31 March 2019 Total Funds £
Income from:			
Donations and legacies	594,331	4,332,045	4,926,376
Income from charitable activities	172,500	679,750	852,250
Other trading activities	122,883	20,333	143,216
Income from investments	-	4,935	4,935
	<hr/>	<hr/>	<hr/>
Total income	889,714	5,037,063	5,926,777
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Expenditure on:			
Raising funds	-	220,567	220,567
	<hr/>	<hr/>	<hr/>
Charitable activities:			
Core costs	347,376	2,526,702	2,874,078
Programme and project development	807,717	2,342,946	3,150,663
Marketing	-	426,220	426,220
	<hr/>	<hr/>	<hr/>
	1,155,093	5,295,868	6,450,961
	<hr/>	<hr/>	<hr/>
Total expenditure	1,155,093	5,516,435	6,671,528
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net (expenditure) before theatre tax credits	(265,379)	(479,372)	(744,751)
Theatre tax credit	-	344,451	344,451
	<hr/>	<hr/>	<hr/>
Net movement in funds	(265,379)	(134,921)	(400,300)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2020

4. Comparative Statement of Financial Activities- continued

Company

For the year ended 31 March 2019

	Restricted Funds £	Designated and Unrestricted Funds £	Year ended 31 March 2019 Total Funds £
Income from:			
Donations and legacies	594,331	4,332,045	4,926,376
Income from charitable activities	172,500	3,305,127	3,477,627
Other trading activities	122,883	20,333	143,216
Income from investments	-	4,935	4,935
	<hr/>	<hr/>	<hr/>
Total income	889,714	7,662,440	8,552,154
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Expenditure on:			
Raising funds	-	220,567	220,567
	<hr/>	<hr/>	<hr/>
Charitable activities:			
Core costs	347,376	2,526,702	2,874,078
Programme and project development	807,717	4,633,947	5,441,664
Marketing	-	426,220	426,220
	<hr/>	<hr/>	<hr/>
	1,155,093	7,586,869	8,741,962
	<hr/>	<hr/>	<hr/>
Total expenditure	1,155,093	7,807,436	8,962,529
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net (expenditure) before theatre tax credits	(265,379)	(144,996)	(410,375)
Theatre tax credit	-	10,075	10,075
	<hr/>	<hr/>	<hr/>
Net movement in funds	(265,379)	(134,921)	(400,300)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2020

5. Income from donations and legacies

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/>

Group and Company - 2019

	Restricted	Designated & Unrestricted	Total 2019
	£	£	£
Scottish Government Funding	85,000	4,174,000	4,259,000
Other grants - public bodies and charitable foundations	505,856	6,235	512,091
Donations	3,475	151,810	155,285
	<hr/>	<hr/>	<hr/>
	594,331	4,332,045	4,926,376
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

6. Income from charitable activities

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/> <hr/>	<hr/> <hr/>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements – continued

For the year ended 31 March 2020

6. Income from charitable activities - continued

Group – 2019

	Restricted	Designated & Unrestricted	Total 2019
	£	£	£
Production income	169,500	638,815	808,315
Education & outreach income	-	196	196
Other income	3,000	40,739	43,739
	<hr/>	<hr/>	<hr/>
	172,500	679,750	852,250
	<hr/> <hr/>	<hr/> <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/> <hr/>	<hr/> <hr/>

Company - 2019

	Restricted	Designated & Unrestricted	Total 2019
	£	£	£
Production income	169,500	3,264,193	3,433,693
Education & outreach income	-	196	196
Other income	3,000	40,738	43,738
	<hr/>	<hr/>	<hr/>
	172,500	3,305,127	3,477,627
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2020

7. Income from other trading activities

Group and Company - 2020

	Restricted	Designated & Unrestricted	Total 2020
	£	£	£
Sponsorship	30,800	23,204	54,004
	<hr/>	<hr/>	<hr/>
	30,800	23,204	54,004
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Group and Company - 2019

	Restricted	Designated & Unrestricted	Total 2019
	£	£	£
Sponsorship	122,883	20,333	143,216
	<hr/>	<hr/>	<hr/>
	122,883	20,333	143,216
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

8. Exceptional item – income

Group and Company

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

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

Due to the exceptional nature of this income, there is no comparative information for 2018/19.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2020

9. Expenditure on raising funds

Group and Company

	2020	2019
	£	£
Staff costs	170,094	153,998
Overheads	46,206	66,569
	<hr/>	<hr/>
	216,300	220,567
	<hr/> <hr/>	<hr/> <hr/>

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 receive funding from National Theatre of Scotland America Inc., a 501(c)(3) non-profit organisation which supports our touring activity across the US. 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 2020

10. Expenditure on charitable activities

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
Learn	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	<u>2,653,375</u>	<u>2,017,058</u>	<u>223,886</u>	<u>4,894,319</u>
	<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 2020

10. Expenditure on charitable activities - continued

Group - 2019

	Core costs £	Programme & Project Development £	Marketing £	Total 2019 £
Premises costs	92,754	-	-	92,754
Depreciation	253,594	-	-	253,594
IT & communication costs	103,890	-	-	103,890
Other core overheads	344,810	-	-	344,810
Staff salaries	1,996,423	-	-	1,996,423
Production Programme costs*	-	2,152,205	207,192	2,359,397
Artistic Development	10,587	339,153	280	350,020
Learn	9,791	659,305	9,945	679,041
Audience & Media	7,631	-	208,803	216,434
Governance costs (note 12)	54,598	-	-	54,598
	<u>2,874,078</u>	<u>3,150,663</u>	<u>426,220</u>	<u>6,450,961</u>
of which:				
Restricted	347,376	807,717	-	1,155,093
Designated & Unrestricted	2,526,702	2,342,946	426,220	5,295,868
	<u>2,874,078</u>	<u>3,150,663</u>	<u>426,220</u>	<u>6,450,961</u>

*includes production wages costs of £714,461 (see note 13)

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2020

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
Learn	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	2,653,375	3,661,857	223,886	6,539,118
	<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 2020

10. Expenditure on charitable activities - continued

Company - 2019

	Core costs	Programme & Project Development	Marketing	Total 2019
	£	£	£	£
Premises costs	92,754	-	-	92,754
Depreciation	253,594	-	-	253,594
IT & communication costs	103,890	-	-	103,890
Other core overheads	344,810	-	-	344,810
Staff salaries	1,996,423	-	-	1,996,423
Production Programme costs*	-	4,443,206	207,192	4,650,398
Artistic Development	10,587	339,153	280	350,020
Learn	9,791	659,305	9,945	679,041
Audience & Media	7,631	-	208,803	216,434
Governance costs (note 12)	54,598	-	-	54,598
	<u>2,874,078</u>	<u>5,441,664</u>	<u>426,220</u>	<u>8,741,962</u>
	<u><u>2,874,078</u></u>	<u><u>5,441,664</u></u>	<u><u>426,220</u></u>	<u><u>8,741,962</u></u>
of which:				
Restricted	347,376	807,717	-	1,155,093
Designated & Unrestricted	2,526,702	4,633,947	426,220	7,586,869
	<u>2,874,078</u>	<u>5,441,664</u>	<u>426,220</u>	<u>8,741,962</u>
	<u><u>2,874,078</u></u>	<u><u>5,441,664</u></u>	<u><u>426,220</u></u>	<u><u>8,741,962</u></u>

*includes production wages costs of £714,461 (see note 13)

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2020

11. Exceptional item - expenditure

Group and Company - 2020

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

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

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

Due to the exceptional nature of this expenditure, there is no comparative information for 2018/19.

12. Governance costs

Group and company

	2020	2019
	£	£
Accountancy fees	16,000	12,000
Audit fee	15,960	15,645
Non-Audit fees	10,950	23,060
Board costs	2,363	3,893
	<hr/>	<hr/>
	45,273	54,598
	<hr/> <hr/>	<hr/> <hr/>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2020

13. Analysis of staff costs

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>

Group and Company - 2019

	Core	Production	Development	Total 2019
	£	£	£	£
Salaries and wages	1,706,929	682,762	129,694	2,519,385
Social security costs	163,358	21,539	13,926	198,823
Pension costs	126,136	10,160	10,378	146,674
	<u>1,996,423</u>	<u>714,461</u>	<u>153,998</u>	<u>2,864,882</u>

Redundancy costs during the year, including payment made in lieu of notice, was £nil (2019: £33,961)

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

	2020 Full -time No.	2020 Part -time No.	2020 Total No.	2019 Full -time No.	2019 Part -time No.	2019 Total No.
Number of employees:						
Productions - contract staff	19	7	26	21	4	25
Core staff	38	27	65	47	15	62
	<u>57</u>	<u>34</u>	<u>91</u>	<u>68</u>	<u>19</u>	<u>87</u>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2020

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:

	2020	2019
£60,000 - £69,999	2	-
£70,000 - £79,999	1	3
£80,000 - £89,999	1	1

For employees in the above bandings, pension contributions of £22,267 (2019: £21,777) were made during the year.

The company's key senior management personnel numbered eight employees during the year (2019: nine). Remuneration for these employees totalled £557,972 during the year (2019: £676,909). The movement from prior year reflects changes in key personnel during the year and includes a period of 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 £61,448 (2019: £90,331).

No other director received any remuneration during the year (2019: nil).

Directors' reimbursement of expenses totalled £1,572 for the year (2019: £3,832) for five directors (2019: five).

14. Theatre tax credit

	Group 2020	Group 2019	Company 2020	Company 2019
	£	£	£	£
Theatre tax credit	383,942	344,451	13,031	10,075
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	383,942	344,451	13,031	10,075
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2020

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 2019/20, seven directors and four senior managers made donations totalling £10,671 to the National Theatre of Scotland. In 2018/19, eight directors and five senior managers donated a total of £6,946.

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 (2019: £4,065) and nil for Brenna to attend their annual Theatre and Touring Symposium event (2019: £165).

Robert Softley Gale (director) was paid £4,000 for writer's fee and royalties for ***My Left /Right Foot - The Musical*** (2019: £7,568).

Birds of Paradise Theatre Company Ltd, of which Robert Softley Gale is company secretary, received nil payment for the production of ***My Left /Right Foot - The Musical*** (2019: £52,183).

Ros Taylor Company, of which Ros Taylor is the proprietor, received nil payment for professional services (2019: £1,200).

Gemma Swallow (senior manager) received nil payment for rental of her flat as accommodation for performers (2019: £500).

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

£34,856 was received from Birds of Paradise Theatre Company Ltd, of which Robert Softley Gale (director) is company secretary, for production services in respect of ***My Left/Right Foot – The Musical*** (2019: £nil).

A total of £26,893 was received from North East Theatre Trust Ltd, of which Brenna Hobson (senior manager) is a director, for performances of ***The Cheviot, The Stag and The Black, Black Oil*** at Live Theatre (2019: £nil).

£637 from Tron Theatre Ltd, of which Shereen Nanjiani is a director (appointed as a director of National Theatre of Scotland on 26.06.2019) for performances of ***The Drift*** (2019: £215). A further £4,067 was received in respect of theatre tax relief for the co-production of ***Ma, Pa and the Little Mouths*** (2019: £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 2020

16. Operating lease commitments

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

	2020	2019
	£	£
Plant and equipment		
Within one year	9,836	9,836
Between one and five years	13,560	23,396
	<u>23,396</u>	<u>33,232</u>
	<u><u>23,396</u></u>	<u><u>33,232</u></u>
	2020	2019
	£	£
Operating lease rental expenses paid		
Plant and equipment	9,611	10,655
	<u>9,611</u>	<u>10,655</u>
	<u><u>9,611</u></u>	<u><u>10,655</u></u>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2020

17. Fixed assets

Group and Company

	Land & Buildings	Fixed Equipment	Fixtures & Fittings	Computer Equipment & Software	Production Equipment	Moveable Equipment	Total
Cost	£	£	£	£	£	£	£
At 1 April 2019	3,382,754	2,662,631	28,316	314,427	675,194	51,685	7,115,007
Additions	37,640	-	-	37,553	53,264	966	129,423
Transfer	-	-	(28,316)	-	-	28,316	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	3,420,394	2,662,631	-	351,980	728,458	80,967	7,244,430
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation							
At 1 April 2019	202,965	413,813	15,919	272,592	610,865	16,371	1,532,525
Charge in period	70,666	138,993	1,502	29,271	20,723	5,393	266,548
Transfer	-	-	(17,421)	-	-	17,421	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	273,631	552,806	-	301,863	631,588	39,185	1,799,073
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value							
At 31 March 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/>	<hr/> <hr/>
At 1 April 2019	3,179,789	2,248,818	12,397	41,835	64,329	35,314	5,582,482
	<hr/> <hr/>	<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 2020

18. Investments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Investment in subsidiary undertaking	-	-	2	2
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	2	2
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<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	Production Company	-

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.

19. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	94,276	188,018	94,276	188,018
Future production expenditure	35,700	152,298	35,700	152,298
Prepayments	66,277	57,156	66,277	57,156
Other debtors (inc accrued income)	355,095	319,524	57,291	97,950
Amounts owed by group undertakings	-	-	2,177,639	2,152,956
VAT receivable	65,377	3,600	65,377	3,600
	<hr/>	<hr/>	<hr/>	<hr/>
	616,725	720,596	2,496,560	2,651,978
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2020

20. Cash and cash equivalents

Group and Company

	2020	2019
	£	£
Cash at bank and in hand	1,681,055	1,681,540
	<u> </u>	<u> </u>

21. Creditors: Amounts falling due within one year

	Group 2020	Group 2019	Company 2020	Company 2019
	£	£	£	£
Trade creditors	179,262	122,329	179,262	122,329
Other creditors	37,217	26,978	37,217	26,978
Accruals and deferred income	327,034	476,464	327,034	476,464
Amounts owed to group undertakings	-	-	1,879,837	1,931,384
Tax and social security	47,541	54,482	47,541	54,482
Loan - Scottish Government	97,247	96,763	97,247	96,763
VAT payable	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	688,301	777,016	2,568,138	2,708,400
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Deferred income included above:

Group and Company

	2020	2019
	£	£
Brought forward	78,940	17,840
Income deferred in year	36,577	78,940
Income released in year	(78,940)	(17,840)
	<u> </u>	<u> </u>
Carried forward	36,577	78,940
	<u> </u>	<u> </u>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2020

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

Group and Company

	2020	2019
	£	£
Loan - Scottish Government	1,518,579	1,615,826
	<u>1,518,579</u>	<u>1,615,826</u>
	2020	2019
	£	£
Amounts repayable:		
Within one year	97,247	96,763
Between one and two years	97,733	97,247
Between two and five years	296,141	294,668
In more than five years	1,124,705	1,223,911
	<u>1,615,826</u>	<u>1,712,589</u>

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.

23. Analysis of changes in net debt

Group and Company

	At start of year £	Cashflows £	Other non- cash changes £	At end of year £
Cash	1,681,540	(485)	-	1,681,055
Loans falling due within one year	(96,763)	96,763	(97,247)	(97,247)
Loans falling due after more than one year	(1,615,826)	-	97,247	(1,518,579)
	<u>(31,049)</u>	<u>96,278</u>	<u>-</u>	<u>65,229</u>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2020

24. Analysis of net assets between funds

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>

Group - 2019

	Tangible Assets	Investments	Net current Assets less non-current liabilities	Total
	£	£	£	£
Restricted funds	-	-	224,721	224,721
Designated funds	4,379,632	-	456,891	4,836,523
Unrestricted funds	1,202,850	-	(672,318)	530,532
	<u>5,582,482</u>	<u>-</u>	<u>9,294</u>	<u>5,591,776</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>

Company - 2019

	Tangible Assets	Investments	Net current Assets less non-current liabilities	Total
	£	£	£	£
Restricted funds	-	-	224,721	224,721
Designated funds	4,379,632	-	456,891	4,836,523
Unrestricted funds	1,202,850	2	(672,320)	530,532
	<u>5,582,482</u>	<u>2</u>	<u>9,292</u>	<u>5,591,776</u>

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2020

25. Restricted funds

Group and Company - 2020

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

Group and Company - 2019

	Notes	Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
Property	(a)	4,558,189	3,475	(182,032)	(4,379,632)	-
Production Programme	(b)	126,132	766,635	(807,717)	-	85,050
Development Programme	(c)	111,108	97,807	(133,469)	-	75,446
Non-programme	(d)	74,303	21,797	(31,875)	-	64,225
		4,869,732	889,714	(1,155,093)	(4,379,632)	224,721
		4,869,732	889,714	(1,155,093)	(4,379,632)	224,721

(a) Property

Funding received from a variety of funders and donors in relation to the planning, development and construction of new company premises. Balance transferred to designated funds in 2018-19 following project completion.

(b) Production Programme

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

Like Flying, the company's acclaimed participatory project in 2019-20, taking aerial arts and performance into schools, attracted funding from The Robertson Trust during the year. This was in addition to funding carried forward from 2018-19 from Standard Life Aberdeen and William Grant Foundation.

The production of **Panopticon** received sponsorship from Malin Group along with matched funding from Arts & Business Scotland.

Theatre in Schools Scotland had another successful year, receiving funding support from Scottish Salmon Company for the third year running alongside Stevenston Charitable Trust, Jimmie Cairncross Trust and The Saints & Sinners Club.

A project to record the musical accompaniment to **306**, the First World War trilogy of plays, was supported by **Imperial War Museums** and a portion of this funding will be carried forward into 2020-21 to complete this project.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2020

25. Restricted funds - continued

(b) Production Programme – continued

Other 2019-20 productions receiving funding in the year were **The Cheviot, the Stag and the Black, Black Oil** (Forteviot Charitable Trust and D R Spalding Charitable Trust) and **Red Dust Road** (Morton Charitable Trust).

Funding was received in 2019-20 in support of the 2020-21 planned productions of **Ferry Tales** (Event Scotland, as part of the Scottish Year of Coasts and Waters) and **Who Killed Katie** (Creative Scotland). Due to the COVID-19 pandemic, these productions were postponed and cancelled respectively. Funding for these projects has therefore been released in 2019-20 to cover work already carried out on these projects, as agreed with the funding providers, and is treated as exceptional income in this year.

(c) Development Programme

Funding received to expand the company's programme of production and talent development, including a digital innovation project exploring the use of virtual reality technology in theatre (Glasgow University), the development of a participatory social care project (Hugh Fraser Foundation and John Mather Trust) and support for general talent development activity (Esmee Fairbairn Foundation).

(d) Non-Programme

This mainly comprises capital grant funding for the replacement of several items of technical and office ICT equipment, received in 2017-18. This amount is released in line with depreciation. Other funding received includes support for First Nights; a programme of activity enabling disadvantaged groups to engage with their first experience of live performance.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2020

26. Designated and unrestricted funds

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		530,532	5,222,486	(5,110,617)	-	642,401
		<u>5,367,055</u>	<u>5,411,034</u>	<u>(5,376,484)</u>	<u>-</u>	<u>5,401,605</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 2020

26. Designated and unrestricted funds - continued

Group – 2019

	Notes	Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
New writing and project commissions	(a)	91,094	29,993	(55,614)	-	65,473
Property	(b)	-	-	-	4,379,632	4,379,632
General	(c)	567,250		(424,582)	248,750	391,418
Total Designated Funds		658,344	29,993	(480,196)	4,628,382	4,836,523
Unrestricted funds		464,000	5,351,521	(5,036,239)	(248,750)	530,532
		1,122,344	5,381,514	(5,516,435)	4,379,632	5,367,055

(a) New writing and project commissions

To provide for all future stage payments on new writing and project commissions contracted before 31 March 2019.

(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 following project completion and will continue to be released in line with depreciation.

(c) General

Total £391,418 reflects £248,750 income to support the 2019/20 budget and programme of activities, in addition to the balance of 2018/19 designated funds of £142,668 carried forward to enable delivery of outstanding project activity.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2020

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		530,532	6,867,285	(6,755,416)	-	642,401
		<u>5,367,055</u>	<u>7,055,833</u>	<u>(7,021,283)</u>	<u>-</u>	<u>5,401,605</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 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 2020

26. Designated and unrestricted funds – continued

Company – 2019

	Notes	Brought Forward	Income	Expenditure	Transfers	Carried Forward
		£	£	£	£	£
New writing and project commissions	(a)	91,094	29,993	(55,614)	-	65,473
Property	(b)	-	-	-	4,379,632	4,379,632
General	(c)	567,250	-	(424,582)	248,750	391,418
Total Designated Funds		<u>658,344</u>	<u>29,993</u>	<u>(480,196)</u>	<u>4,628,382</u>	<u>4,836,523</u>
Unrestricted funds		464,000	7,642,522	(7,327,240)	(248,750)	530,532
		<u>1,122,344</u>	<u>7,672,515</u>	<u>(7,807,436)</u>	<u>4,379,632</u>	<u>5,367,055</u>

(a) New writing and project commissions

To provide for all future stage payments on new writing and project commissions contracted before 31 March 2019.

(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 following project completion and will continue to be released in line with depreciation.

(c) General

Total £391,418 reflects £248,750 income to support the 2019/20 budget and programme of activities, in addition to the balance of 2018/19 designated funds of £142,668 carried forward to enable delivery of outstanding project activity.

NATIONAL THEATRE OF SCOTLAND

Notes to the Financial Statements - continued

For the year ended 31 March 2020

27. Reconciliation of net (expenditure) to net cash flow from operating activities

Group

	2020	2019
	£	£
<i>Net (expenditure) for the reporting period</i>	(55,519)	(400,300)
Depreciation	266,548	253,594
Decrease in debtors	103,871	484,189
(Decrease)/increase in creditors	(89,199)	52,410
Investment income	(5,571)	(4,935)
Gain on disposal of fixed assets	-	-
	220,130	384,958
<i>Net cash provided by operating activities</i>	220,130	384,958

Company

	2020	2019
	£	£
<i>Net (expenditure) for the reporting period</i>	(55,519)	(400,300)
Depreciation	266,548	253,594
Decrease in debtors	155,418	1,937,375
(Decrease) in creditors	(140,746)	(1,400,776)
Investment income	(5,571)	(4,935)
Gain on disposal of fixed assets	-	-
	220,130	384,958
<i>Net cash provided by operating activities</i>	220,130	384,958

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. Post Balance Sheet Event

The onset of the COVID-19 crisis has required the cancellation of the majority of our 2020/21 production programme. This event has required adjustments to the balance sheet. Costs and income are normally accounted for in the year of the production but as the shows are no longer progressing in 2020/21, the costs and income incurred or received in 2019/20 for the cancelled 2020/21 productions, must now be recognised in the 2019/20 financial statements.